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The COMMERCIAL & FINANCIAL CHRONICLE

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OUR REPORTER'S REPORT

Evidently rather persistent liquidation by certain institutional holders of portions of their municipal bond portfolios is not proving sufficient to satisfy the needs of dealers who have specialized for years in that particular type of security.

The latter, who do business largely on a merchandising basis, have been complaining no end of comparatively light supplies on hand, a direct reflection, of course, of the virtual dearth of new issues over a period of months.

But according to those in investment quarters who get around, large holders, chiefly banks, have been going over their portfolios and weeding out municipals in rather steady fashion.

The reason behind such activity is not definitely known, though it is assumed that one of several conditions could explain it. Largely, however, it is considered as intended to put such investors in funds to participate to the fullest extent in government war financing.

Moreover, if money rates should tend to stiffen a bit on Treasury offerings, it is possible to understand why holders would wish to lighten up a bit on municipals even though the latter are currently somewhat under their high levels of a few months ago.

Rail Equipments Seen

Action of the War Production Board in making available sufficient materials for the construction of some 400 locomotives and 20,000 freight cars in the initial eight months of 1943, is expected to lend a fillip to the dormant railroad equipment market.

Considering the contention of the railroads by and large that

(Continued on page 1888)

HOW DID WE GET THIS WAY?

THE ANATOMY OF CAPITALISM

By H. B. LOOMIS and JOHN B. KNOX

of John B. Knox & Company

Editor's Note: New Deal program makers, now wearing postwar planning labels, continue as in the past to pore over their blue prints with their backs to the world of realities. Their products are every whit as dangerous as they ever were—perhaps more so since the war appears to have lent them additional psychological support.

The best way to combat such seductive proposals as those now appearing almost daily, perhaps the only effective way, is to turn the flood light of fundamental truths upon them.

It is with hope of doing its part in combating this menace that the "Chronicle" is presenting a series of articles, of which this is the third, which call the reader's attention pointedly to certain fundamentals often overlooked in this day and time. It can think of no better contribution to postwar planning.

Part III

Life teaches by penalty as well as by reward; penalties which cannot be eliminated by fiat as they prove the laws and not the laws the penalties. They are one of the inevitabilities of life, which owes nothing to any man. What we can and do do is divert them from those who have incurred them to those who have not. The greater part of fuzzy-minded reform consists in just this operation.

Individualistic man cannot live in a socialistic economy like an ant in a formicary, a parallel used by the muddy-minded who attempt to reason by analogy. Every experiment has proven that the result is always different from the one envisaged. Their failure bears testimony to the folly of blinding one's self to facts in the pursuit of an ephemeral ideal.

The theory of socialism and collectivism is based upon inaccurately presented and ill-digested information from which unjustifiable imputations are drawn. It contradicts

(Continued on page 1888)

United States Savings and Loan League War Conference Proceedings

Included in Special Section Starting with page 1881

Our Reporter On "Governments"

By S. F. PORTER

And again, it is a pleasure to report that the Treasury has done and is doing a superb job with the latest financing deal—the largest in the history of the world and the major test of Secretary Morgenthau's ability to raise as much money as possible from non-banking sources. . . . This $9,000,000,000 borrowing is beautifully worked out. . . . Its terms seem to please everybody from the salesman out to sell as many securities as he can to the investor out to buy as many as he can. . . . There's an issue for every source and an issue that is attractive. . . . The dates are staggered. . . . Payment is well arranged. . . . The preliminary period is long enough to permit widespread selling preparations. . . . Even the time for announcing the deal was well chosen because the implication is the entire operation will be wrapped up and done with by Christmas and the Government's borrowing will be stiff competition for the heavy spender in the pre-holiday period. . . . In short: "Goodwork, Mr. Secretary!" . . . .

Here are some sidelight points that may interest you prior to the actual selling campaign, due to start Monday morning, Nov. 30. . . .

1. The coupon feature of the new "on sale" 2½s of 1968/63 is considered particularly attractive. . . . One of the objections to the old "taps" was the registered character of them, for the smaller holders (up to $1,000,000 or so) felt the Treasury "was looking over their shoulder at all times" and resented the unmentioned pressure against selling. . . .

2. In the New York market following the Thursday night announcement of the financing terms, several fair-sized sales of the longest-term taxable 2½s of 1972/67 were reported, presumably from investors liquidating the 72s in order to get cash to buy the 68s. . . .

3. There were no indications that the Federal Reserve System was supporting the 72s and dealers suggested support was unnecessary for this non-competitive issue. . . .

4. The market is expected "to do whatever the Fed tells it to do between now and the day the books are closed on the last open offering." . . .

5. Were it not for the general expectation that there will be more offerings of the new "on sale" 2½s next spring, the 68/63 issue probably would be worth a decent premium in a few weeks. . . . It's a good issue. . . .

6. Feeling is the "on sales" will get up to a ⅛ to ¼ premium over the next several weeks; the 1¾s will get up to a ⅛ premium; and the certificates, of course, will become more attractive as their maturity date nears. . . .

7. The general forecast is Morgenthau will get his $9,000,000,000

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Announce Candidates For NASD District 13

The nominating committee of District 13 of the National Association of Securities Dealers, Inc. (New York, New Jersey, and Connecticut), has presented to the members a slate of successors for the Governors and committee members whose terms are expiring on Jan. 15, 1943.

Henry G. Riter, III, Riter & Co., has been nominated to succeed Laurence M. Marks, Laurence M. Marks & Co., as Governor. Julius A. Rippel, Julius A. Rippel, Inc.; Wright Duryea, Glore, Forgan & Co.; Tracy R. Engle, Engle, Abbot & Co., Inc.; and George N. Lindsay, Swiss American Corporation, have been nominated to succeed on the district committee Mr. Riter, Russell V. Adams, Adams & Mueller; Harry W. Beebe, Harriman Ripley & Co., Inc.; and Richard C. Rice, J. K. Rice, Jr., & Co. David S. Rutty, Sage, Rutty & Co., Inc., has been nominated to fill the unexpired term (running to 1945) of Robert C. Common, Vietor, Common & Co., who resigned as a committee member.

Members of the Nominating Committee are: William J. Minsch, Minsch, Monell & Co., Chairman; Joseph W. Dixon, Graham, Parsons & Co.; Pierpont V. Davis, Harriman Ripley & Co., Inc.; Frederick C. Kraehling, Frederic H. Hatch & Co., Inc.; J. Winner Parker, Parker & Weissenborn, Inc.

To Form E. & M. Klauber

Edward Klauber and Murray Klauber, both members of the New York Stock Exchange, will form the firm of E. & M. Klauber, with offices at 120 Broadway, New York City, as of Dec. 1. Mr. Murray Klauber was formerly in business as an individual floor broker. Mr. Edward Klauber has recently been active as a floor broker and prior thereto was a partner in Spero & Klauber.

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STANY To Elect, Vote On By-Law Amendment

The Security Traders Association of New York will hold its annual meeting and election of officers on Friday, Dec. 4, at 5:00 p.m. at the New York Produce Exchange Luncheon Club. The polls will be open from 4:30 to 6:00 p.m. and after the meeting, a buffet supper will be served.

Candidates for president of the Association are B. Winthrop Pizzini, B. W. Pizzini & Co., and Chester E. de Willers, Schoonover de Willers & Co.

The following unopposed candidates are unanimously elected:

First Vice-President: James F. Musson, B. J. Van Ingen & Co., Inc.

Treasurer: George V. Leone, Frank C. Masterson & Co.

Directors: L. A. Gibbs, Laird, Bissell & Meeds; Allan F. Moore, H. Hentz & Co.; Joseph Nye, Freeman & Co.

National Committee Alternates: Charles King, Charles King & Co.; George Kranz, Amott, Baker & Co.; Harold B. Smith, Sweetser & Co.

Second Vice-President: William K. Porter, Hemphill, Noyes & Co.

Secretary: John S. French, A. C. Allyn & Co.

National Committee. Wellington Hunter, Hunter & Co.; Thomas A. Larkin, Goodbody & Co.; Cyril M. Murphy, Mackubin, Legg & Co.; Wm. Henry Pflugfelder, Pflugfelder, Bampton & Rust.

Gratuity Fund Directors: Charles H. Jann, Lazard Freres & Co.; Walter Kennedy, A. M. Kidder & Co.

Also to be voted upon by the members of the Association are the following proposed revisions to the By-Laws, to be revised and rewritten as follows:

Article I, Section 4

"The membership of the corporation shall be limited to four hundred (400) Members plus such Honorary Members as may have been elected but not including 'Service Members' as defined in Section 6. The membership may temporarily exceed the limit because of the re-instatement of 'Service Members' in which case, no new members may be admitted until the number of Members again declines to less than four hundred."

Article I, Section 5

"The membership of any Member who ceases to be engaged or employed as a trader shall automatically terminate at the end of one year following such a change of status. The Board of Directors may, however, in its discretion waive this provision or reinstate any former Member who again becomes engaged or employed as a trader. Any former Member requesting such reinstatement shall make written application therefor to the Secretary. Except that in the event of a Member entering the military or naval service, said Member shall retain his membership in good standing for the period of the current calendar year. At the expiration of that time he may, upon application in writing to the Secretary, become a Service Member and may continue as such upon payment of that part of the annual dues, namely two dollars ($2.00), applicable to the Gratuity Fund and all assessments made by such fund. The Service Member shall not be entitled to vote but shall continue to enjoy all the other privileges of a Member in good standing."

Article I, Section 6

"A Member who is in the armed forces of the United States shall be known as a Service Member. Service Members will be limited to not more than one hundred (100) Members. A Service Member upon notification of his discharge from the armed forces, in writing to the Secretary within a period of three months after such discharge shall become a Member of the Association providing he qualified as specified in Article I, Section I and in Aritcle III, Section 3 of the By-Laws."

Chester E. deWillers

B. W. Pizzini

Wheeler Exec. Mgr. Of Victory Fund Group

NEW ORLEANS, LA.—Macrery B. Wheeler of Wheeler & Woolfolk, Inc., has been appointed Executive Manager of the New Orleans Region of the Victory Fund Committee, it is announced by W. S. McLarin, Jr., Chairman of the Victory Fund Committee of the Sixth Federal Reserve District, Atlanta, Ga. Mr. Wheeler will devote full time to the work of this committee and will maintain offices in the Federal Reserve Bank Building, New Orleans.

Other members of the New Orleans Regional Committee are: Geo. H. Nusloch, Chairman; Keehn W. Berry; John Dane; Gilbert Hattier, Jr.; R. S. Hecht; Walter D. Kingston, Oliver G. Lucas; Daniel L. Scharff; John B. Shober, and P. H. Sitges.

DEALER BRIEFS

Boston, Mass.

I am frank to state the public has very little interest in investment securities under existing conditions. However, the long-term outlook for the business can be viewed with confidence if for one reason alone—those purchasers of War Savings Bonds will be the security investors of tomorrow. — *Sherman Gleason, Sherman Gleason & Co.*

Softness in both peace and war stocks in face of decidedly better war news indicates to us that caution in making commitments should be observed until a clearer picture of the reason for such action becomes evident. — *Frederick M. Swan, F. M. Swan & Company*

Charlotte, N. C.

Since 1923, in addition to our Municipal Bond business, we have maintained an active department trading in local securities, specializing in textile shares. In January 1941 our Mr. R. S. Dickson, President, wrote an article concerning the outlook for the textile industry. At that time Mr. Dickson pointed out that "It appears that well selected textile shares, at current prices which are well below 1937 levels, offer appreciation possibilities over the next few years." At the time of this article the average of our 25 southern textile stocks stood at $51.15; this average now stands at $68.42, or an increase of $17.27 on the average.

Some of the stock included in this average has shown remarkable enhancement in value. For instance, Textiles, Incorporated, common stock was quoted on the bid side at $1.25 per share, where it is now bid $3.75 per share and is paying dividends at the rate of $.40 per annum. American Yarn and Processing Company common stock stood at that time at $84.00 per share bid and it is now quoted at $110.00 bid. Orr Cotton Mills was quoted January 1941 at $18.00 bid, against a bid of $59.00 at the present time.

The remarkable thing about the whole matter is that the averages have still not reached 1937 levels when they stood at $74.00 per share although earnings, according to 1941 statements, have more than doubled and dividends have shown a substantial increase. Looking at the industry from a long-pull standpoint, we believe there is still good money to be made in selected shares since higher prices in textile stocks are more than likely to be reached a year or so after the war is over. We find our customers willing to purchase the higher grade textile stocks not merely from the standpoint of enhancement, but for income, which income is more than likely to be well above the average for some time yet.

It is our belief that the demand for textile shares will increase during the next several months and the averages will more than likely reach the 1937 level or above. — *H. L. McAllister, Vice-President, R. S. Dickson & Company, Inc.*

Portland, Maine

Although Portland is a very busy city at the present time due to the shipyards located here, we, as dealers, have not yet seen any of this money; however, two of our largest commercial banks have recently ceased paying interest on savings deposits, and we are beginning to get some of this cash for investment. One way that we are operating which we think is fair to ourselves and fair to our country in its war efforts is offering a combination of bank and insurance stocks together with series G bonds. We have had a great deal of success in this endeavor. — *Carl K. Ross, Pres. & Treas. Carl K. Ross & Co., Inc.*

Portland, Ore.

The recent indication that the tax-exempt feature on municipal bonds would not be changed, combined with less timidity on the part of present holders and potential buyers of Pacific Coast municipals, particularly those in the western portions of Oregon and Washington, has once again caused a noticeable decrease in the supply of available bonds to a point considerably below the demand. Isolated lots of bonds which have come into the market in the past few weeks have been extremely high priced and have not been readily bought for this reason. Because of the small amount of new issues to be sold, which consist principally of refunding, we anticipate a steadily declining volume in the municipal business unless something happens which might again cause the more timid present holders to liquidate. As a result, municipal dealers on the Pacific Coast will have more time to help the Treasury Department do the war financing job.—*Wm. W. Fordyce, Fordyce & Co.*

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Buzby Regional Mgr. For Victory Fund Com.

William D. Buzby, Jr. has been given leave of absence from Butcher & Sherrerd, Philadelphia, of which firm he is a general partner, to assume the position of Regional Manager of the Victory Fund Committee in the Third Federal Reserve District, which embraces Eastern Pennsylvania, Southern New Jersey and Delaware. Mr. Buzby will devote his entire time to organization and direction of the Committee's activities in Philadelphia, with headquarters in the Philadelphia Federal Reserve Bank.

Edward C. Bendere, also on leave of absence from the firm of Merrill Lynch, Pierce, Fenner & Beane, is the Executive Manager for that District.

Kramer Elected V.-P. Of Chicago Clearing Corp.

Harold I. Kramer has beeen elected Vice-President of the Chicago Stock Clearing Corporation, it is announced by Kenneth L. Smith, President. The Chicago Stock Clearing Corporation is a subsidiary of The Chicago Stock Exchange. Mr. Kramer, who also serves as Manager and Assistant Treasurer of the Clearing Corporation, has been in its employ since 1929.

E. S. Lee With Navy

Eugene S. Lee, Vice-President of the Valley National Bank of Phoenix, Arizona, is now a Lieutenant Commander in the U. S. Navy. Commander Lee, an Annapolis graduate, is stationed in Tucson, Arizona (545 East Third Street), where he is an instructor.

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Meyer Willett Honored By N. Y. Dealers Ass'n

A luncheon was given in honor of Meyer Willett, senior partner of Bristol & Willett, by the Board of Governors of the New York Security Dealers Association at the Bankers Club Tuesday, Nov. 24.

Meyer Willett

A silver salver bearing the following inscription and facsimile signatures of the Governors was presented to Mr Willett:

"THE BOARD OF GOVERNORS
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MEYER WILLETT
record their affection and esteem for him, and their deep appreciation of his constant and untiring efforts to further the work of the Association and the securities industry.

"Harry R. Amott, Philip L. Carret, James Currie, Frank Dunne, Tracy R. Engle, Frederick C. Kraehling, John J. O'Kane, Jr., Fred J. Rabe, John F. Sammon, Robert Strauss, Clarence E. Unterberg."

Frank Dunne, who presided, expressed his gratitude to Mr. Willett for the cooperation he had received since he had assumed the Presidency of the Association, and Clarence E. Unterberg also referred to the large contribution of time and effort Mr. Willett has given over a long period of years, and made particular mention of the service he rendered the industry in connection with the establishment and development of an accurate quotation system.

Mr. Willett in responding recalled some of his experiences while serving on various committees and assured the Governors of his continued cooperation.

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New Orleans Bond Club Elects New Officers; Members In Service

NEW ORLEANS, LA.—The following officers were elected by the Bond Club of New Orleans for the year 1942-1943:

President: G. Shelby Friedrichs, Woolfolk, Huggins & Shober.

Vice-President: H. Wilson Arnold, Weil & Arnold.

Secretary-Treasurer: B. Frank Williams, National Bank of Commerce.

Directors: William Perry Brown, Newman, Brown & Co.; Stanley S. Carothers, B. S. D'Antoni & Co.; John P. Labouisse, Lamar, Kingston & Labouisse; and James E. Roddy, Scharff & Jones, Inc.

Members of the Bond Club who are now serving in the armed forces are:

Samuel T. Alcus, Jr., Waters & Alcus.

Blaise S. D'Antoni, B. S. D'Antoni & Co.

Ladd Dinkins, Louisiana Savings Bank & Trust Co.

Ford T. Hardy, Merrill Lynch, Pierce, Fenner & Beane.

C. H. Hyams, 3rd, Hyams, Glas & Carothers.

L. V. Lamar, Lamar, Kingston & Labouisse.

Fred J. McCormac.

Leon E. Newman, Kohlmeyer, Newburger & Co.

Morris W. Newman, Newman, Brown & Co.

Erwin Schweickhardt, B. S. D'Antoni & Co.

L. B. Scranton.

A. Palmer Smith, Jr.

Walter H. Weil, Jr., Weil & Co., Inc.

L. M. Williams, Jr.

Preferred Stock Guide

The October number of "The Preferred Stock Guide" has just been issued by G. A. Saxton & Co., Inc., 70 Pine Street, New York City. The "Guide" which contains quotations, price range, dividend information and other interesting comparative figures, arranged in tabular form, may be had upon request by writing to G. A. Saxton & Co.

Latest On Seaboard Ry.

Van Tuyl & Abbe, 75 Wall Street, New York City, have just issued a memorandum on the latest developments in Seaboard Air Line Railway Company, copies of which may be had from the firm upon request.

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War Changes In NASD District Committees

Military and other war duties of members have brought a number of changes in the District Committees of the National Association of Securities Dealers, Inc. Changes in various Districts follow:

District No. 1 (Idaho, Oregon, Washington): Richard H. Martin, Chairman, of Ferris & Hardgrove, resigned. He was succeeded by George R. Yancey, Murphy Favre & Co., Spokane. Frank A. Bosch, Warren Bosch & Floan, Portland, also resigned. Fred M. Blankenship, Blankenship & Gould, Inc., Portland, and June S. Jones, Atkinson, Jones & Co., Portland, fill the vacancies on the Committee.

District No. 2 (California, Nevada): Willis H. Durst, O'Melveny, Wagenseller & Durst, Inc., Los Angeles, elected to fill unexpired term of Donald O'Melveny, deceased.

District No. 4: James M. Dain, J. M. Dain & Company, Minneapolis, and William Mannheimer, Mannheimer, Caldwell, Inc., St. Paul, resigned, to be succeeded by Charles A. Fuller, Charles A. Fuller Company, Minneapolis, and Sidney H. Henderson, Henderson-Weidenborner Company, St. Paul.

District No. 5 (Kansas, Oklahoma, Western Missouri): Walter I. Cole, Beecroft, Cole & Company, Topeka, and A. E. Weltner, A. E. Weltner & Co., Kansas City, elected to vacancies on the Committee.

District No. 6 (Texas): Lewis Pollok, George V. Rotan Co., Houston, and John D. Williamson, Mahan, Dittmar & Company, San Antonio, elected to Committee; J. L. Mosle, Mosle and Moreland, Inc., Galveston, and Elmer A. Dittmar, of Mahan, Dittmar & Company, San Antonio, resigned.

District No. 7 (Arkansas, East Missouri, Kentucky): J. Mountford Aull, Bankers Securities Company, St. Louis, elected to Committee to succeed John D. McCutcheon, John D. McCutcheon and Co., Inc., St. Louis; James R. Vinson, of J. R. Vinson and Company, Incorporated, Little Rock, resigned; vacancy to be filled by annual election.

District No. 8: William W. Miller, Gavin L. Payne & Company, Inc., Indianapolis, elected to the Committee to succeed G. William Raffensperger, of Raffensperger, Hughes & Co., Inc., Indianapolis, resigned; Eugene McGuire, McGuire, Welch & Company, resigned from the Committee.

District No. 10: Robert J. McBryde, James C. Willson & Co., Louisville, resigned from the Committee.

District No. 12 (Pennsylvania, Delaware): Nathan K. Parker, Chairman, of Kay, Richards & Company, Pittsburgh, resigned. William K. Barclay, Jr., Stein Bros. & Boyce, Philadelphia, succeeds Mr. Parker as Chairman. Joseph Buffington, Jr., Young & Co., Inc., Pittsburgh, succeeds Mr. Barclay as Vice-Chairman. Willard S. Boothby, E. H. Rollins & Sons, Inc., Philadelphia, elected to succeed John C. Bogan, Jr., Sheridan, Bogan Co., Philadelphia.

Conning & Company And Ballard To Join

HARTFORD, CONN.—Following the dissolution of Ballard & Co. on Dec. 3, Eugene Ballard, member of the New York Stock Exchange, and W. Thurston Rowley will form the new Exchange firm of Conning & Company and Ballard with partners of Conning & Company.

Offices of the new firm will be located at 50 Lewis Street. Partner will be William S. Conning, William C. Goeben, John D. Britton, Eugene Ballard, and W. Thurston Rowley. All partners will make their headquarters in Hartford.

Customers Brokers To Meet

The Association of Customers' Brokers of New York will meet on Nov. 27 at 3:45 p.m. at the New York Institute of Finance, 20 Broad Street, New York City (room 902) to discuss practical suggestions for tax adjustment in investment accounts under the Revenue Act of 1942.

H. L. Federman, head of the Statistical Department of Ira Haupt & Co., and Frank Saline, associated with Myles H. Vernon, member of the New York Stock Exchange, will point out the practical implications of the Revenue Act of 1942 as affecting security portfolios. Time has been allotted for questions.

Curb To Decide Disposition Of Delinquent Memberships

The Board of Governors of the New York Curb Exchange at its meeting held on Nov. 18 transferred to its chairman, as trustee for disposition of delinquent memberships, the seats of three regular members. Ordinarily, the Exchange said, on acquisition of such seats, the trustee offers them for sale. However, because the three seats transferred to the trustee were held by members now serving in the armed forces, no such disposition of them will be made, and final decision will be a matter for future consideration by the Board of Governors.

"News & Views"

The latest issue of "News & Views," released by Butler-Huff & Co. of California, 210 West Seventh Street, Los Angeles, Calif., contains a discussion of recent events affecting Home Insurance Company and other insurance companies. Copies of this interesting bulletin may be had from Butler-Huff & Co. upon request.

Lamm, Guthy Co. To Be Formed In New York

The New York Stock Exchange firm of Lamm, Guthy & Co. will be formed in New York City as of Dec. 1. Partners in the firm will be Harold J. Lamm and William H. Guthy, both Exchange members, general partners, and Catherine Lamm, a limited partner. Mr. Lamm was formerly active as an individual floor broker. Mr. Guthy was an individual floor broker and prior thereto was a partner in D. H. Silberberg & Co.

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Tomorrow's Markets Walter Whyte Says—

Don't believe tax selling is wholly responsible for present market action. Deeper reasons involving international politics probably at fault. Consider market low within sight.

By WALTER WHYTE

It's comforting to write week after week that the market is the beginning and the end of everything that matters to the world of finance.

* * *

Over the years I've had it hammered into me that to interpret the news, or anticipate it, without regard to market action was the quickest way to red ink. Time and again I found this to be true. But the times I refer to were, in the light of present day developments, normal ones.

* * *

Today's markets are faced with conditions they never had to cope with before. Precedents are almost useless. Wars are not new. Markets have gone through them before. But the underlying conditions that brought this one on are so different that no ordinary yardstick can be applied.

* * *

Last summer with the outlook a deep indigo, averages hovering around the 100 (Dow) figure, this column recommended buying. Through all the succeeding months it kept repeating that stocks be held, though within certain limits. Well, you know what's happened. The market went up to across 117.

* * *

But if the market went up the news was hardly any help. The Germans were all but inside Stalingrad. The Japs were the cock of the walk in the Pacific. And the British were being chased back almost to Cairo. Still the market went up. So I kept advising holding, but kept my fingers crossed by giving you stops.

* * *

A few weeks ago the market picture I saw began changing. Having reached the 114-116 range, the objective forecast here on Sept. 24th, I began to advise cashing in. Oddly enough the news began to improve. The United Nations were making a stand in Egypt. We were finally licking the tar out of the Japs and the Red army was giving the Nazis plenty of grief. The market, meanwhile, instead of reacting, sagged slightly then went up again. Forecasts of big markets ahead became the accepted thing.

(Continued on page 1887)

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REAL ESTATE SECURITIES

REAL ESTATE BOND SINKING FUNDS

Some New York real estate bonds in addition to their other advantages enjoy an annual, or semi-annual, sinking fund. Usually a better than current market price can be obtained by making a tender to the Trustee operating the sinking fund.

Two outstanding sinking funds that have already taken place this year have been the Hotel Taft, which accepted over $182,000 face amount of bonds and the Hotel St. George, which accepted over $370,000 worth of bonds.

One issue, namely the Roxy Theatre, operates a sinking fund **every month!**

A good sinking fund operation will take place in the Lewis Morris issue on Dec. 1. They have over $70,000 with which to purchase bonds. The securities are currently quoted in the market in the middle 50's, so that a considerable amount of bonds should be accepted.

The following exceptional sinking funds in the Prudence group issues this year are very interesting. The amounts available for sinking fund were as follows:

Series	AA	May	$46,000	Oct	$102,000		
"	4	May	71,000	Oct	100,000		
"	6	Apr	100,000	July	115,000		
"	7	May	137,000	Oct	360,000		
"	8	Feb	129,000	Apr	102,000	July	$68,000
"	9	Mar	122,000	May	122,000		
"	11	Aug	85,000				
"	12	Mar	114,000	Aug	129,000		
"	13	Jun	80,000				
"	14	Apr	101,000	July	108,000	Aug	107,000
"	15	Mar	156,000	July	50,000		
"	16	Apr	81,000	Aug	70,000		
"	17	Feb	134,000	May	90,000	Oct	262,000
"	18	Apr	83,000	July	100,000		

A partial list of possible sinking fund operations listed according to month are enumerated below:

December

Butler Hall, Garment Center, Graybar Building, Harcou Estates, Herald Square Building, Lewis Morris Apartments, Pierrepont Hotel, Realty Associates, 2 Park Avenue.

January

Bevoc Corp., Courtlo Operating, Eton Lodge, Locust Arms, Prince & Lafayette, Rhebem Theatres, Stuart Court, 320 East 57th St., 34 South Goodman.

February

Eton Hall, Ten Broeck Apartments.

March

New Weston Hotel, 6th and 4th Street, Tyler Building.

April

Kramon Development, 48th St. Realization, Master Printers.

May

London Terrace, Macrid Corp., Nivelle Corp., 61 West 39th St.

June

Butler Hall, Gramott Corp. Herald Square Bldg.

July

Alden, Carnegie Plaza, Eton Lodge.

August

Bretona Corp., Hotel Lexington, Hotel Taft.

September

Butler Hall, Coney Island Theatre, Film Center Building.

October

National Tower Building, Hotel St. George.

November

Berkly Carteret, Nivelle Corp.

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PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

(Special to The Financial Chronicle)

BOSTON, MASS.—**Edward Marchese** is with **Brown Brothers Harriman & Co.,** 10 Post Office Square.

(Special to The Financial Chron'cle)

CHICAGO, ILL.—**John E. Cahill** has become associated with **Dempsey-Detmer & Co.,** 135 South La Salle St. Mr. Cahill was previously with Bear, Stearns & Co. and prior thereto for a number of years with Stein, Brennan & Co.

(Special to The Financial Chronicle)

CHICAGO, ILL. — **Frank E. Wright** has joined the staff of **Rawson Lizars & Co.,** 135 South La Salle St.

(Special to The Financial Chronicle)

GRAND RAPIDS, MICH.—**William L. Ewing** has become affiliated with **Paine, Webber, Jackson & Curtis,** Peoples National Bank Building. Mr. Ewing was formerly local representative for Cray, McFawn & Co.

(Special to The Financial Chronicle)

MINNEAPOLIS, MINN.—**James C. Simonton** has become connected with **J. W. Goldsbury & Co.,** 807 Marquette Avenue. For many years Mr. Simonton was associated with the Northern Pacific Railway.

(Special to The Financial Chronicle)

ORLANDO, FLA.—**Leo J. Sheehan** has been added to the staff of **United Securities Corporation.** Florida Bank Building.

(Special to The Financial Chronicle)

ST. LOUIS, MO. — **Thomas R. Ferrenbach** and **John F. Lane** have become associated with **Edward D. Jones & Co.,** Boatmen's Bank Building. Mr. Ferrenbach was formerly with Gatch & Co. and its predecessor, Gatch Bros., Jordan & McKinney; in the past he conducted his own investment counsel business.

NSTA Service Flag

The following are members of the Detroit Securities Traders Association who are now serving in the armed forces. The Detroit Association is an affiliate of the National Security Traders Association:

Pvt. Harry B. Buckle, Allman Everham & Co.
Major Thomas S. Clayton, Clayton & Co.
Major Fred O. Guider, Keane & Co.
Major Kenneth H. Owens, Van Grant & Co.
2nd Lieut. Herbert Schollenberger, Jr., Campbell McCarty & Co.
2nd Lieut. David D. Williams, Campbell McCarty & Co.
Lieut. Com. John C. Wright, Keane & Co.
Lieut. (J. G.) Arthur J. Zuber, Goodbody & Co.

Pollak Mfg. Looks Good

Expansion of operations, comfortable financial condition, and satisfactory profits are reported on Pollak Manufacturing Co., according to Ward & Co., 120 Broadway, New York City, which states that this company has been a production leader in the Metropolitan district in getting the "Double E" award from the Navy because of the quality and quantity of production and the six plants now operating keeping ahead of scheduled deliveries.

Ward & Co. specialize in this issue and their files contain timely information which may be had upon request for Memorandum No. 263.

SEC Revokes Registrations

The broker-dealer registrations of Wight & Co., Asbury Park, N. J., and Seybolt & Seybolt, Inc., Springfield, Mass., have been revoked by the Securities & Exchange Commission. The Wight firm had already been enjoined by the Chancery Court of the State of New Jersey, and the Seybolt company by the Federal District Court of Massachusetts.

To Be Mabon Partner

Mabon & Co., 50 Broadway, New York City, members of the New York Stock Exchange, will shortly admit Peter F. Dunigan to partnership in their firm. Mr. Dunigan will act as alternate on the floor of the Exchange for Rudolph Nadel.

Doehling and Lewis With Ira Haupt Co.

John P. Doehling will be associated with Ira Haupt & Co., 111 Broadway, N. Y. City, members of the New York Stock Exchange, beginning Nov. 30, in their municipal bond department. Mr. Doehling has recently been in business as an individual dealer in N. Y. City. Prior thereto he was with Campbell, Phelps & Co., Inc.

Milton F. Lewis, formerly with G. A. Saxton & Co., Inc., and Distributors Group, Inc., has become associated with the firm in their public utility department.

Test For Good Fire Stock

Buckley Brothers, 1529 Walnut St., Philadelphia, Pa., members of the Philadelphia Stock Exchange, have just issued an interesting memorandum on the ten tests for a good fire stock and how the Standard Fire Insurance Company of New Jersey meets these tests. Included are comparative figures on growth, earnings, and dividends of the company for the past ten years as well as an analysis of Standard's investment portfolio. Copies of this memorandum on Standard Fire of New Jersey, which Buckley Brothers consider offers particularly attractive possibilities at this time, may be had from the firm upon request.

Mexican Newsmen at NYSE

Eight Mexican newspapermen, guests of the United States Government, were welcomed to the New York Stock Exchange by Emil Schram, President, and by Robert DeF. Boomer, Chairman of the Exchange's Inter-American Hospitality Committee. The newspapermen, representing Mexico's most important newspapers, Excelsior, El Popular, Novedades, La Prensa and El Nacional, have been in this country for the past week and are commencing a month's tour of America's war industries.

Frank Meyer With Beer Co.

(Special to The Financial Chronicle)

NEW ORLEANS, LA. — Frank Meyer has rejoined the staff of Beer & Co., 817 Gravier St., members of the New York and New Orleans Stock Exchanges. Mr. Meyer was formerly New Orleans representative for First Investors Shares Corporation and in the past was with Beer & Co.

Our Reporter On "Governments"

(Continued from first page)

and the biggest financing in world history will go over with a bang. . . .

THE ISSUES

You have all the facts and figures on the various offerings by now, naturally, and it is to be taken for granted that you have made up your mind on what you're going to buy and in what amounts. . . .

To recapitulate, however, adding some of the insider comments, here's the setup for the December-January transaction:

There are the "on sale" 2½s of Dec. 15, 1968, callable 1963, to be issued in coupon or registered form, to be available to all buyers except commercial banks. Books will be opened Nov. 30, will remain open several weeks, possibly until a few days before Christmas. The Victory Fund Committees will concentrate on sales of these and the entire market will be gone over with a fine-tooth comb. Estimate is that in the New York district alone, insurance companies will take $750,000,000 of the bonds and non-bank buyers other than insurance companies will boost the total of purchases in this district to $1,000,000,000. Total purchases may hit $3,000,000,000 and maybe more but this last is a completely in-the-dark guess.

There are the ⅞% certificates of indebtedness, due one year from date of issuance. For commercial banks, books on these will be opened Dec. 16, will close Dec. 18. Subscriptions from banks will be restricted to $2,000,000,000 with subscriptions over $100,000 to be allotted on a percentage basis. There is no limit on purchases by non-bank sources and allotments to these buyers will be in full. Corporations are expected to buy large amounts of these. The c. i. market is in excellent shape.

There are the 1¾% bonds due June 15, 1948. For commercial banks, books will be opened Nov. 30, will close Dec. 2. Subscriptions from banks will be limited to $2,000,000,000 with subscriptions over $100,000 to be allotted on a percentage basis. There is no limit on subscriptions by non-bank sources and allotments to these buyers will be in full. The 1¾s may be compared with the 2s of March 15, 1950/48, currently selling at 101¼ to yield 1.74% to call date. These are attractive bonds, to corporations and estates as well as banks and should be bought in large quantities by non-bank investors.

Books on purchases of these 1¾s and the ⅞% certificates by other than commercial banks open Nov. 30, probably will remain open during most of December.

Then, in addition to these three new special issues, there will be the intensified sales campaign covering the war bonds, tax savings notes and discount bills. Particular emphasis will be laid on the series F and G war bonds.

INSIDE THE MARKET

There won't be another financing until February, giving the market one of the longest breathing spells it has had since the war started. . . . Feeling is prices will fluctuate more normally after this deal is completed and before the next one comes, for there'll be no new financings on the immediate calendar and lots of portfolios will be readjusted. . . .

From now on, financings will be on a bi-monthly basis, an innovation long urged and devoutly to be desired. . . .

The Treasury began November with $3,500,000,000 in cash, will get $9,000,000,000 from this deal, another $2,580,000,000 from income tax payments and other revenues in December. . . . Feeling is the total will be ample to carry the Treasury through until February. . . .

Excess reserves position of New York banks considerably easier now. . . . Last report showed surplus funds in this recently hard-pressed district up $150,000,000 in week to $515,000,000. . . . Excess reserves for country as a whole at $2,490,000,000 now, the highest level in five weeks. . . .

Banks in New York, though, do not expect easy position to continue for long. . . . It has been due to lack of Treasury borrowing recently and some inflow of funds from the interior. . . . New borrowing will change situation. . . .

Morgenthau complimented widely on timing of deal and fact that announcement came several days before date set for actual sale. . . . Beginning Nov. 20, salesmen, banks, dealers in all parts of the United States were lining up their customers. . . . Even by now, sales figures are pretty well worked out. . . . By time books open, the deal will be well set—an excellent situation considering the urgency of success and the comparative unimportance of the surprise technique these days. . . .

Old tap 2½s holding up well. . . . Selling at 100⅜. . . . Probability is issue wouldn't be so steady were it not for the registered feature of the loan, which militates against sales. . . .

Treasury tax note sales totaled $200,000,000 in first 17 days of November against total sales for October of $921,000,000. . . . Great sales effort will be made to put these over, but adverse factors are (1) Christmas spending and (2) coming tax payment. . . . Even so, sales for first 17 days are mighty close to monthly totals chalked up earlier in the year. . . .

War bond sales for same period were $330,500,000. . . . December sales of these will be held down by same influences but good record is expected. . . . And January sales will be heavy due to early-year investment by those buying up to the maximum allowed of the Series E issue. . . .

C. K. Morris In Service

Lieutenant Charles K. Morris, United States Naval Reserve, has reported at Dartmouth College for indoctrination.

The Chicago investment firm of Charles K. Morris & Company, Inc., which Lt. Morris established the first of the year 1938, has suspended business for the duration inasmuch as all other principals of the firm left previously to join the armed forces or to enter government service in a war capacity.

Lieutenant Morris, upon his graduation from the University of Minnesota in 1926, entered the Diplomatic School in Washington, D. C. after which he became a foreign service officer of the State Department. He later became a foreign service officer of the Department of Commerce and served in this capacity in Constantinople, Paris, London and in British West Africa. He returned in September, 1929, to enter the securities business. He is secretary of the Bond Club of Chicago.

N. Y. Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following weekly firm changes:

Albert W. Bianchi has been approved as alternate on the floor of the Stock Exchange for William L. Strong, Jr.

Frederick W. Allen, partner in Wood, Struthers & Co., New York City, died on Nov. 14, 1942 on which date his interest in the firm ceased.

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RAILROAD SECURITIES

The Reading Jersey Central Collateral 4s, 1951, have been among the few spots in the marginal railroad group able to move consistently higher in recent weeks of general uncertainty in this section of the list. In the face of the development of at least a modest peace psychology, augmented by the apparent incidence of the usual year-end tax selling, this issue has been selling at successive new 1942 highs. In fact the bonds are selling about 10 points higher than in any year since the speculative boom that culminated in 1937. To all intents and purposes the bonds are no more than a debenture of the Reading Company, as the pledged collateral (common stock of Central Railroad of New Jersey) will unquestionably be eliminated in eventual reorganization of that road unless there is a drastic change in the reorganization philosophy of the ICC and the courts. Nevertheless, the bonds have pushed 10 points ahead of the obligor's mortgage bonds.

The answer, obviously, lies in the question of maturity which has assumed such great importance in investment feeling towards bonds of all but the strongest credits in the past few years. More and more the general run of investors has come to ignore the question of mortgage protection in the case of the so-called marginal properties, and, more strangely, appears to ignore the implications of the favorable influence on good mortgage bonds of the general strengthening of credit that must follow if, as the market apparently believes, the shorter maturities are to be paid off in cash.

From the present vantage point it seems that there should be ample confidence in the full payment of the principal of the Reading Jersey Central Collateral 4s, 1951. For a number of years the company has followed a policy of open market purchase of this issue and the purchase program has been accelerated consistently as the earnings improvement has gained momentum. By the end of last year the company has acquired $3,878,000 face value of the bonds, reducing the amount outstanding to $19,122,000. In the current year the company diverted a portion of its excess cash funds to retirement of other system debt ($3,514,000 called for redemption or paid off at maturity) but, nevertheless, has apparently bought in roundly an additional $2,500,000 of the Jersey Central Collateral 4s. It seems entirely possible that by the end of the current year the obligation may be reduced to approximately $16,000,000.

From a maturity standpoint the Reading Company is particularly well situated to concentrate on the further reduction, and eventual payment ,of the Collateral 4s. Of total direct non-equipment debt of $108,000,000 (taking the Collateral 4s at the amount outstanding as of the end of 1941) $74,404,000 is represented by the General 4½s which have 55 years to run. Between now and 1951 there are five divisional liens falling due but the aggregate amount outstanding amounts to only $11,398,000. There is only one sizable maturity in the group and that is the $9,169,000 of Philadelphia & Reading Improvement 4s due in 1947. This is a very strong non-callable lien selling at a premium so that diversion of any open market buying by the company to anticipating the principal is not feasible. The quality of this divisional is such that refunding, perhaps at a saving in interest, should not prove difficult in any event.

It is currently estimated that Reading's 1942 earnings will run between $13,500,000 and $14,000,000, leaving a balance of from $9,300,000 to $9,800,000 after dividends at the current rate. Out of these earnings it is believed that at least $6,000,000 of debt, in addition to regular serial payments on equipments and one note issue maturing at the rate of $350,000 a year, has been or will be retired. There is nothing now in the picture that would suggest the likelihood that there will be any material contraction in earnings next year. On the contrary, high earnings should be maintained at least throughout the balance of the war period.

Cash has now been built up to very high levels (equivalent to more than twice annual fixed charges) so that the entire net after dividend appropriations should now be available for debt retirement. On such a basis it is quite possible that the entire issue of Collateral 4s could be provided for out of earnings over the next two years. In the meantime, company buying would be calculated to afford strong market support even in periods of general weakness.

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New Curb Governors

The New York Curb Exchange announces that Herbert G. Tully was elected a Class "A" Governor, and William S. Wilson of Montgomery, Scott & Co., Paul L. Hughes of Gude, Winmill & Co. and Caspar C. de Gersdorff of Harris, Upham & Co. were elected Class "B" Governors. They will serve the unexpired terms, respectively, of Charles N. Phelps, Alpheus C. Beane, Jr., Jess W. Sweetser and Herbert L. Wisner who resigned from the Board during the year because of increased activity in the war effort. Class "A" Governors are regular members of the Exchange, and Class "B" Governors are associate members or non-member partners of regular or associate member firms doing business for the public.

Defaulted RR. Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: high—44; low—14¾; Nov. 25 price—40⅛.

Multz In New York

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Bank and Insurance Stocks

This Week — Insurance Stocks

By H. A. LEGGETT

Most of the bad news in the fire-marine end of the insurance business occurred during the first few months of the year. As a starter, January fire losses were the largest (with one exception) for any single month in many years. Several large conflagrations, of a nature to arouse strong suspicions of sabotage, took place and gave rise to the fear that this was but the beginning of a long series of such disturbances. However, this was not to be. One of the most surprising, and fortunate, developments of our war preparation has been the relatively small amount of sabotage and fifth column activity which has come to light. This is more than anything, perhaps, a tribute to the skill and foresight of the Federal Bureau of Investigation which is rapidly attaining recognition as the most efficient department of Government.

Incidentally, the Insurance industry has contributed many of its most capable investigators to the FBI and, in addition, has played no small part in preventing excessive industrial interruptions and other catastrophes which, through carelessness or enemy action, might seriously cripple the war effort. As a matter of fact, while the FBI was yet in its infancy, much of the work which it is now doing was handled by operatives of the Insurance Industry for its own protection and that of its policyholders. Thus, it may well be that a good deal of the investigation and policing work heretofore done by insurance companies (at very considerable expense to them) will in future be carried on by the FBI and related Government agencies. If this develops, the cost will become a charge against society as a whole (as seems proper) instead of simply against the insurance business.

Be that as it may, fire losses since February have been extremely favorable—in fact, they have been well below normal in comparison with the premium income which is now running at the highest level in history. Fire losses in the United States, as estimated by the National Board of Fire Underwriters, were as follows for the first 10 months of 1941 and 1942:

	1941	1942
January	$26,470,000	$35,565,000
February	26,102,000	30,819,000
March	31,471,000	30,505,000
April	29,330,000	27,960,000
May	25,637,000	23,233,000
June	24,943,000	22,410,000
July	23,698,000	21,000,000
August	24,122,000	19,680,000
September	24,668,000	20,443,000
October	30,833,000	22,621,000
Total	$267,274,000	$254,236,000

Based on reports of individual companies and certain group compilations, premium writings in the fire-marine field this year will apparently be some 15% to 20% above 1941. The full year's experience both on straight fire lines and on automobile fire and theft coverage should be highly satisfactory. Of course, the over-all results will reflect the Ocean Marine losses of last spring and will have an unfamiliar reddish tinge to them.

It is not generally realized outside of the insurance field that the Ocean Marine disaster this year was the greatest single catastrophe suffered by the Fire Insurance Industry since the San Francisco fire a third of a century ago. It is a striking commentary on the financial position of this industry, and on the confidence which the public has come to have in it, that an incident of this kind could pass into history with no appreciable impairment to the companies and no alarm or hysteria on the part of policyholders.

Some stockholders, of course, were considerably perturbed and the issues of most companies that specialized in Ocean Marine insurance suffered a severe drop. After the initial shock, however, and with the realization that a definite limitation to losses and outstanding risks had been reached, some shrewd insurance stock buyers had the courage to step in and pick up a few bargains. These particular issues have, for the most part, staged an excellent come-back and have provided another illustration of the questionable wisdom of selling when adverse news hits the front page.

The situation in the Ocean Marine field now is one of little risk for the companies. They will continue to write normal marine lines, and to issue special policies, but the bulk of War Risk coverage will be covered by the War Shipping Administration for the duration. The business, however, will be handled through the duly licensed marine companies acting as underwriting agents for the War Shipping Administration which, in turn, will reimburse the companies and agents for their expenses in connection therewith. This method has several advantages. It enables the Government to utilize the services of existing machinery and experienced personnel and, from the insurance companies' standpoint, enables them to retain their facilities and personnel relatively intact.

Two other developments which brought furrows to the brows of fire insurance executives early in the year were (1) the severe drop in general market security prices and (2) the citing of the Fire Insurance Industry, under the Sherman Act, for alleged monopolistic practices. As to the former situation, most securities have recovered substantially in recent months. Industrial Common Stocks, Public Utility Preferred and Railroad Bonds — groups which are held rather widely by fire companies—have all enjoyed noteworthy improvement.

Regarding the anti-trust proceedings, there is also less apprehension now than originally existed due in part to the election, which largely restored the even balance of political power in the country, and in part to the growing impatience of the public with business persecution and reform in the midst of a supposedly "all-out" war effort. Even at worst, in the opinion of many impartial observers, the fire companies should have little dififculty in demonstrating the worth and fairness of their methods (which have been perfectly open and above board) and in defending the customs and regulations which have been largely developed in conjunction with supervisory authorities. Few industries can match the stability, efficiency and public esteem possessed by this particular industry.

Another matter which proved much less rigorous than first appeared likely was the 1942 Tax Law. Eleventh hour modifications lightened the tax burden for insurance companies very materially.

All in all, the position of the fire companies toward the close of the year is much more comfortable and composed than it was a few months back. As usual happens, the worst fears are seldom realized and for those, like the insurance companies, who generally proceed on the assumption that they will be, it is difficult to find them unprepared for almost any contingency.

Zimmer With M. A. Cayne

(Special to The Financial Chronicle)

CLEVELAND, O.—Russell L. Zimmer has become associated with M. A. Cayne & Co., Fidelity Building, members of the Cleveland Stock Exchange. Mr. Zimmer was formerly in the bond department of Borton & Borton, Inc., and prior thereto was in the investment department of the Cleveland office of Jackson & Curtis.

DIVIDEND NOTICES

ANACONDA COPPER MINING CO.,
25 Broadway,
New York, N. Y., November 25, 1942.
DIVIDEND NO. 138

The Board of Directors of the Anaconda Copper Mining Company has declared a dividend of One Dollar ($1.00) per share upon its Capital Stock of the par value of $50. per share, payable December 21. 1942, to holders of such shares of record at the close of business at 3 o'clock P.M., on December 8, 1942.

JAS. DICKSON, Secretary & Treasurer.

Borden's
COMMON DIVIDEND
No. 131

The final dividend for the year 1942 of fifty cents (50¢) per share has been declared on the outstanding common stock of this Company, payable December 19, 1942, to stockholders of record at the close of business December 5, 1942. Checks will be mailed.

The Borden Company
E. L. NOETZEL, *Treasurer*

CANCO AMERICAN CAN COMPANY
PREFERRED STOCK

On November 24th, 1942, a quarterly dividend of one and three-quarters per cent was declared on the Preferred Stock of this Company, payable January 2nd, 1943, to Stockholders of record at the close of business December 17th, 1942. Transfer Books will remain open. Checks will be mailed.

R. A. BURGER, *Secretary.*

THE YALE & TOWNE MFG. CO.

On November 24, 1942, a special dividend No. 209 of forty cents (40c) per share was declared by the Board of Directors out of past earnings, payable December 18, 1942, to stockholders of record at the close of business December 4, 1942.

F. DUNNING, *Secretary.*

THE YALE & TOWNE MFG. CO.

On November 24, 1942, a dividend No. 210 of fifteen cents (15c) per share was declared by the Board of Directors out of past earnings, payable January 2, 1943, to stockholders of record at the close of business December 4, 1942.

F. DUNNING, *Secretary.*

DIVIDEND NOTICES

THE ALABAMA GREAT SOUTHERN RAILROAD COMPANY
New York, N. Y., November 24, 1942.

A dividend of $4.50 per share on the Preferred Stock of The Alabama Great Southern Railroad Company has been declared payable December 24, 1942, to stockholders of record at the close of business December 5, 1942.

A dividend of $4.50 per share on the Ordinary Stock has been declared payable December 24, 1942, to stockholders of record at the close of business December 5, 1942.

C. E. A. McCARTHY,
Vice-President and Secretary.

Allied Chemical & Dye Corporation
61 Broadway, New York

November 24, 1942

Allied Chemical & Dye Corporation has declared quarterly dividend No. 87 of One Dollar and Fifty Cents ($1.50) per share on the Common Stock of the Company, payable December 19, 1942, to common stockholders of record at the close of business December 4, 1942.

W. C. KING, *Secretary*

DIVIDEND
ARMOUR AND COMPANY
OF DELAWARE

On November 6, a quarterly dividend of one and three-fourths per cent (1¾%) per share on the Preferred Capital Stock of the above corporation was declared by the Board of Directors, payable January 1, 1943, to stockholders of record on the books of the Company at the close of business December 10, 1942.

E. L. LALUMIER, Secretary

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY
New York, N. Y., November 20, 1942.

The Board of Directors, on October 27, 1942 declared a dividend of Two Dollars and Fifty Cents ($2.50) per share, being Dividend No. 83, on the Preferred Capital Stock of this Company, payable February 1, 1943, out of undivided net profits for the year ended June 30, 1942, to holders of said Preferred Capital Stock registered on the books of the Company at close of business December 31, 1942.

Dividend checks will be mailed to holders of Preferred Capital Stock who have filed suitable orders therefor at this office.

D. C. WILSON, Assistant Treasurer.
120 Broadway, New York, N. Y.

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY
New York, N. Y., November 21, 1942.

The Board of Directors, on November 19, 1942, declared a dividend of One Dollar and Fifty Cents ($1.50) per share, being Dividend No. 120, on the Common Capital Stock of this Company, payable March 2, 1943, to holders of said Common Capital Stock registered on the books of the Company at close of business January 29, 1943.

Dividend checks will be mailed to holders of Common Capital Stock who have filed suitable orders therefor at this office.

D. C. WILSON, Assistant Treasurer,
120 Broadway, New York, N. Y.

CALUMET AND HECLA CONSOLIDATED COPPER COMPANY
Dividend No. 42

A dividend of twenty-five cents ($0.25) per share will be paid on December 14, 1942, to holders of the outstanding Capital Stock of the Calumet and Hecla Consolidated Copper Company of record at the close of business November 30, 1942. Checks will be mailed from the Old Colony Trust Company, Boston, Mass.

A. D. NICHOLAS, *Secretary.*
Boston, November 19, 1942.

THE CHESAPEAKE AND OHIO RY. CO.

An extra dividend of fifty cents per share on $25 par common stock will be paid December 26, 1942, to stockholders of record at close of business December 4, 1942.

A dividend for the fourth quarter of 1942 of one dollar per share on Preference Stock, Series A, and of seventy-five cents per share on $25 par common stock will be paid January 1, 1943, to stockholders of record at close of business December 4, 1942.

Transfer books will not close.

H. F. LOHMEYER, *Secretary.*

DU PONT E. I. DU PONT DE NEMOURS & COMPANY

WILMINGTON, DELAWARE: *November 16, 1942*

The Board of Directors has declared this day a dividend of $1.12½ a share on the outstanding Preferred Stock, payable January 25, 1943, to stockholders of record at the close of business on January 8, 1943; also $1.00 a share, as the "year-end" dividend for 1942, on the outstanding Common Stock, payable December 14, 1942, to stockholders of record at the close of business on November 23, 1942.

W. F. RASKOB, *Secretary*

INTERNATIONAL HARVESTER COMPANY

The Directors of International Harvester Company declared a final dividend on the common stock of the Company for the fiscal year ended October 31, 1942, of fifty cents (50c) per share, payable December 15, 1942 to stockholders of record on November 30, 1942. At the same time, the Directors declared a quarterly dividend of fifty cents (50c) per share on the common stock payable January 15, 1943, to all holders of record at the close of business on December 19, 1942.

SANFORD B. WHITE, Secretary.

KANSAS CITY POWER & LIGHT COMPANY
First Preferred, Series B Dividend No. 61
Kansas City, Missouri November 18, 1942

The regular quarterly dividend of $1.50 per share on the First Preferred, Series "B," Stock of the Kansas City Power & Light Company has been declared payable January 1, 1943, to stockholders of record at the close of business December 14, 1942.

All persons holding stock of the company are requested to transfer on or before December 14, 1942, such stock to the persons who are entitled to receive the dividends.

H. C. DAVIS, *Assistant Secretary.*

DIVIDEND NOTICES

ELECTRIC BOAT COMPANY
33 Pine Street
New York, N. Y.

The Board of Directors has this day declared a dividend of fifty cents per share on the Capital Stock of the Company, payable December 10, 1942, to stockholders of record at the close of business November 25, 1942.

Checks will be mailed by Bankers Trust Co., N. Y., Transfer Agent.

H. A. G. TAYLOR, Treasurer
November 13, 1942.

THE ELECTRIC STORAGE BATTERY CO.

Exide BATTERIES

The Directors have declared from the Accumulated Surplus of the Company a final dividend for the year 1942 of Fifty Cents ($0.50) per share on the Common Stock, payable December 22, 1942, to Stockholders of record at the close of business on December 2, 1942. Checks will be mailed.

H. C. ALLAN, *Secretary and Treasurer.*
Philadelphia, November 20, 1942.

HOLLANDER DYED FURS

A. HOLLANDER & SON, INC.
Common Dividend.

A dividend of 25c per share on the Common Stock has been declared, payable December 15, 1942, to stockholders of record at the close of business on December 5, 1942.

Checks will be mailed.

ALBERT J. FELDMAN, Sec.
Newark, N. J.
November 23, 1942.

JM Johns-Manville Corporation
DIVIDEND

The Board of Directors declared a regular quarterly dividend of $1.75 per share on the Cumulative 7% Preferred Stock payable January 1, 1943, to holders of record on December 17, 1942, and a dividend of 50c per share on the Common Stock payable December 24, 1942 to holders of record on December 10, 1942.

ROGER HACKNEY, *Treasurer*

NATIONAL DAIRY PRODUCTS CORPORATION

A dividend of 20¢ per share on the Common stock has been declared, payable December 18, 1942, to holders of record November 30, 1942.

GEORGE H. RUTHERFORD
November 19, 1942 *Treasurer*

OFFICE OF NORTHERN STATES POWER COMPANY (WISCONSIN)
Chicago Illinois

The board of directors of Northern States Power Company (Wisconsin), at a meeting held on November 17, 1942, declared a dividend of one and one-quarter per cent (1¼%) per share on the Preferred Stock of the Company, payable by check December 1, 1942, to stockholders of record as of the close of business November 20, 1942, for the quarter ending November 30, 1942.

N H BUCKSTAFF, Treasurer.

Dividend Notice

The Board of Directors today declared a dividend of 60¢ per share on the Common Stock of this Corporation, payable December 15, 1942 to stockholders of record December 4, 1942. Checks will be mailed.

S. W. DUHIG,
Vice-Pres. and Treas.
November 24, 1942

SHELL UNION OIL CORPORATION

UNION CARBIDE AND CARBON CORPORATION
UCC

A cash dividend of Seventy-five cents (75¢) per share on the outstanding capital stock of this Corporation has been declared, payable January 1, 1943, to stockholders of record at the close of business December 4, 1942.

ROBERT W. WHITE, Vice-President

The Securities Salesman's Corner

A FEW HINTS FOR CONTACTING BUSINESS EXECUTIVES

Following are some suggestions that we have found to be helpful in cultivating the business of executives of industrial enterprises. In every community there are more or less of these substantial citizens who are in the "ten thousand per year" and up, class. They make the finest type of customers that any security salesman can have for his clients. They are usually alert to the trends of the times and the news of the day, they are interested in the welfare of their families and their community, they are industrious, and as a class are far and above the average of almost any other group when it comes to knowing about investments, and stocks and bonds in particular.

ALWAYS TRY AND MAKE AN APPOINTMENT BEFORE YOU CALL. These men are busy—especially now, when defense work is taking up much of their time. Either write or use the telephone. Show that you understand that their time is valuable and state frankly that you are purposely asking for an appointment because you appreciate the value of your prospect's time.

YOU WILL FIND THAT MOST EXECUTIVES IN ANY LINE OF BUSINESS KNOW THE OTHERS IN THE SAME OR KINDRED LINES. If you can start doing business with a steel man, or a lumber man, stick to lumber or steel and RADIATE FROM THIS CONTACT. Jim Jones with the X steel company probably knows Pete Jackson with the Y steel company. Ask Jackson if he knows Jones—the chances are that he does. It will help you.

BUILD UP A SALES CAMPAIGN ESPECIALLY DESIGNED TO INTEREST BUSINESS EXECUTIVES. For instance, this would be an excellent time to write to every executive in your community and explain to them that you could help them sell certain securities for "tax loss" purposes that could undoubtedly effect substantial savings in their next year's taxes. Here is the type of mind that is alert to such an approach—much more so than many another less well informed investor.

OFFER A SECURITY OF A COMPANY IN A LINE OF BUSINESS THAT IS CLOSE TO, OR ALLIED WITH, THE BUSINESS OF THE EXECUTIVES UPON WHOM YOU ARE CALLING. Some years ago, we became interested in the stock of a company that bought a great deal of steel from one of the nation's largest steel companies. The convenient offices of this steel company contained a large group of key executives whom we thought would make good prospective clients. We found that the company we were interested in had a very fine reputation with the higher officials of this steel company. Several of these key men gave us substantial orders for the stock in which we were interested. They later became customers for other securities.

IF YOU CAN GET INTRODUCTIONS, USE THEM, BUT IT IS ALWAYS BETTER IF THE INTRODUCTION COMES FROM SOME "HIGHER UP" TO ONE "LOWER DOWN" IN THE MANAGEMENT SCALE. In other words, better from a vice-president to a purchasing official than vice-versa—but if you get a chance to say Bill Jones sent me over to see you—use it. As a general rule this group is one of the most democratic, fair-minded collections of individuals you will find anywhere.

IF YOU CAN AFFORD THE TIME JOIN UP IN YOUR COMMUNITY CLUBS FOR CIVIC BETTERMENT, ETC. THIS IS WHERE YOU ARE GOING TO MEET THE BEST CROSS SECTION OF THE SUBSTANTIAL CITIZENRY OF YOUR COMMUNITY. Here is one type of unselfish public service that any securities dealer can render his community and at the same time do more to broaden his circle of contacts than through almost any other type of effort. This is where you are going to meet the better business executives of your community—it will pay you dividends that you will find to be very worth while.

Housing Business Belongs In Private Hands Rep. Lanham Declares At Savs-Loan Conference

"No man can feel like a real American in a home which is kept up in whole or in part by his fellow man," Representative Fritz G. Lanham (Dem., Tex.), author of the Lanham Act for war housing, and Chairman of the House Public Buildings and Grounds Committee, told the War Conference of the United States Savings and Loan League. "The Federal Government doesn't belong permanently in the housing business," Mr. Lanham continued, "except in very rare instances. You can't find anything in the Constitution that says the Government has to build houses for the citizens. Much of the emphasis in the Bill of Rights is on the American home and especially on keeping it free from interference, Government or otherwise. The real estate business naturally and properly belongs to the real estate men," he said, and added "we must not overlook the fact that the Government operates any business it undertakes much more expensively than private enterprise operates the same thing."

Speaking of the Lanham Act, he said that this was one piece of legislation written absolutely by the Committee which got it enacted. "There is nothing in it to do with slum clearance or low cost housing for low income groups," Mr. Lanham said. "Provision is made for taxes to be paid to local Governments on the properties built for war workers. It is planned that temporary construction shall be salvaged after the war. I am hoping we won't have any deserted villages when the war is over this time, and I hope there will be strict adherence to the policy the statute enumerates, that private capital will be allowed to have its proper place."

DIVIDEND NOTICE

COMMERCIAL INVESTMENT TRUST CORPORATION

Convertible Preference Stock, $4.25 Series of 1935, Dividend

A quarterly dividend of $1.06¼ on the Convertible Preference Stock, $4.25 Series of 1935, of COMMERCIAL INVESTMENT TRUST CORPORATION has been declared payable January 1, 1943, to stockholders of record at the close of business December 10, 1942. The transfer books will not close. Checks will be mailed.

Common Stock, Dividend

A quarterly dividend of 75 cents per share in cash has been declared on the Common Stock of COMMERCIAL INVESTMENT TRUST CORPORATION, payable January 1, 1943, to stockholders of record at the close of business December 10, 1942. The transfer books will not close. Checks will be mailed.

JOHN I. SNYDER, *Treasurer.*

November 25, 1942.

CIT

Royal Bank of Scotland
Incorporated by Royal Charter 1727
HEAD OFFICE—Edinburgh
Branches throughout Scotland
LONDON OFFICES:
3 Bishopsgate, E. C. 2
8 West Smithfield, E. C. 1
49 Charing Cross, S. W. 1
Burlington Gardens, W. 1
64 New Bond Street, W. 1
TOTAL ASSETS
£98,263,226
Associated Banks:
Williams Deacon's Bank, Ltd.
Glyn Mills & Co.

Australia and New Zealand
BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)
Paid-Up Capital £8,780,000
Reserve Fund 6,150,000
Reserve Liability of Prop. 8,780,000
£23,710,000
Aggregate Assets 30th Sept., 1941 .... £150,939,354
SIR ALFRED DAVIDSON, K.B.E., General Manager
Head Office: George Street, SYDNEY
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Branches in all the principal Towns in
EGYPT and the SUDAN

"Profits & Prophecy" For Investors & Trustees

The Mutual Building and Loan Association of Pasadena, 38 South Los Robles Ave., Pasadena, Cal., will be glad to send investors, trustees and other fiduciaries a copy of their free booklet, "Profits and Prophecy," describing the advantages of investing in insured Federal Savings and Loan investments and outlining the history, structure and operation of the Mutual Building and Loan Association with emphasis on dividend record, earnings, growth and progress of the Association.

Insured Investment With Liberal Return

The Danielson Federal Savings and Loan Association, 84 Main Street, Danielson, Conn., will be glad to send a booklet and full particulars on insured Federal Savings & Loan investments, which offer, the association declares, unusual opportunities for safety and liberal return on investment. Current dividend rate of 3% per annum.

UNION
Trusteed Funds, Inc.
UNION BOND FUND "A"
UNION BOND FUND "B"
UNION BOND FUND "C"
UNION PREFERRED STOCK FUND
UNION COMMON STOCK FUND "A"
UNION COMMON STOCK FUND "B"
UNION FUND SPECIAL
Prospectus covering all classes of stock on request
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63 Wall Street, New York
CHICAGO JERSEY CITY LOS ANGELES

Investment Trusts

MORE ABOUT TAXES

The general excellence and profusion of investment company literature coming to hand this week bear eloquent witness to the vitality of the industry.

Significantly, the principal subject of analysis and discussion is again **taxes.** The limitations of this column do not permit adequate coverage of the abundant material on this subject. Suffice it to say that any dealer receiving and studying all of it would certainly qualify to give accurate, helpful counsel to his clients on major tax questions.

The Nov. 16 issue of Hugh W. Long & Co.'s "New York Letter" contains "More About Taxes" supplementing and enlarging on the discussion in the issue of Nov. 2. Seven specific suggestions are listed.

The trustees of the George Putnam Fund in a special letter to beneficiaries comment on the "New Tax Bill a Constructive Measure" and go on to inquire, "What About 1943 Taxes?"

The current issue of Keystone Corporation's "Keynotes" takes for its theme, "What To Do About The New 1942 Tax Law." After listing four important changes in the new law as it affects investors' capital gains and losses, the questions of whether an investor should take long-term gains and short or long-term losses now are answered briefly. Six specific steps to save taxes are listed.

For one of the clearest and most complete summaries of the new tax law **as it applies to individual investors,** the three-page memorandum prepared by Distributors Group, Inc., is recommended. Entitled, "How To Apply The Effects Of The New Tax Law To Your Clients' Accounts," it reviews step by step the things to look for and suggests the order in which the analysis should be made. There is something about this memorandum which makes the rather complicated job of analysis to determine a client's tax position seem relatively simple.

National Securities & Research Corporation's "Investment Timing" issue of Nov. 19 supplements its two previous discussions of the test?" The article effectively de-"Individual Income Tax Increases—Where Are They Really Heaviest?" The article effectively debunks the popular notion that the poor man is bearing the burden of the new tax increases. The fallacy in popular reasoning is pointed out as follows:

"If the poor man's tax had been raised, not from 10% to 19%, but from 10% to 50%, and the rich man's tax had been raised, not from 80% to 88%, but from 80% to 100%, the poor man would be left with half his (taxable) income and the rich man with absolutely nothing. And yet the poor man's increase was 40 'points' as against the rich man's 20 'points' and the poor man's 'percentage' increase was 400% and the rich man's only 25%.

"Only a little quiet consideration of the matter is necessary to convince anyone that . . . the real consideration is what percentage of the income that would be left after paying taxes at the 1941 rates is taken away by the 1942 increases in rates over the 1941 rates. When such an analysis is carried through, it shows that the rise in rates takes a larger percentage of the rich man's 'residual' income than it does of the poor man's 'residual' income."

A comprehensive table showing the incidence of individual income tax increases is included in support of these conclusions.

A special adaptation of the tax discussion to Manhattan Bond Fund is contained in a memorandum entitled, "The Important Tax Advantages of Manhattan Bond Fund, Inc., to Corporation Investors." In this memorandum the sponsor, Hugh W. Long & Co., points out that a corporation in the excess profits tax bracket can save $7,500 in taxes on $10,000 of bond income if the income is received through Manhattan Bond Fund instead of through direct ownership of the individual bonds.

Calvin Bullock's Nov. 16 issue of "Perspective" gives an excellent summary of the tax situation, with special emphasis on the effects of the new rates on the earnings of various industry groups. Twenty-four stock groups are included in the survey. By means of charts, the percentage of income before taxes in each group which will be absorbed by the new taxes is shown in comparison with the percentage of income before taxes which was taken by the 1941 rates.

(Ed. Note: For copies of the above-mentioned literature, it is suggested that you address your requests either to the sponsors named or to the Investment Trust Editor of the "Chronicle.")

* * *

Investment Company Briefs

One sponsor who does not discuss taxes in the latest publication to reach us is Investment Company Distributors, Inc., of Los Angeles. Instead, the performance record of the Investment Company of America and a "Comparison With 24 Open-End Investment Companies" are presented in a simple folder. Over the eight and three-quarter year period from Dec. 31, 1933, through Sept. 30, 1942, the average gain of the 24 companies, including cash dividends, is shown at 40.6%. In this same period the Investment Company of America's total gain is shown at 152.6%.

* * *

The Nov. 19 issue of Calvin Bullock's "Bulletin" also contains some performance comparisons. They cover the period from June 10, 1940, through Nov. 7, 1942, and show the average performance of the five largest and "best-known" investment companies in relation to the course of the Dow-Jones Industrial Stock Average. Over this period the Dow-Jones Average recorded a net gain of 4.5% as compared with an average net

(Continued on page 1880)

FLORIDA

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MUNICIPAL BONDS

Our long experience in handling Florida issues gives us a comprehensive background of familiarity with these municipal bonds. We will be glad to answer any inquiry regarding them at no obligation.

R. E. CRUMMER & COMPANY
INVESTMENT SECURITIES
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Municipal News & Notes

Action of the National Association of Insurance Commissioners, at their most recent annual convention, in removing municipal revenue bonds from their previous general classification with state and general obligation municipals is considered by specialists as a threat to marketability of such issues.

The revision, which places municipal revenues in the same category as corporate bonds in so far as applicability of Association rules relating to valuation is concerned, is directed not only at bonds supported by gasoline tax revenues and automobile tolls, but also embraces water, light and power and other issues payable out of revenues rather than taxes.

Impact of the revised attitude has been felt by dealers where their insurance company clients sought assistance in filling out questionnaires calling for data on small issues of revenue bonds not previously rated by statistical agencies or described in financial manuals.

It has been explained that failure to furnish this information may make the affected municipal issues ineligible to be carried in the insurance companies, Dec. 31, 1942, annual statement at the "amortization" value, as is permitted in the case of all state bonds and general obligation municipals and, until this year, special revenue issues.

Some dealers of late have been cooperating with insurance company clients with a view to bringing before the next convention of the National Association and its valuations committee an analysis of the unfavorable effects resulting from application of the June, 1942, resolution.

Protests from municipal officials likewise are expected. The Mayor of one Illinois city is said to have already advised Governor Dwight Green that "this is another form of attack on the ability of states and cities to finance their improvements without the supervision of some national authority."

High Premium Bonds Seen Affected By Tax Provision

The provision of the Internal Revenue Act requiring amortization of tax-exempt bonds bought at a premium may occasion a lessening in demand for this type of security when Section 126 of the new revenue law has been more thoroughly publicized, it was suggested in a report carried in a recent issue of the New York "Journal of Commerce."

Effect of the new law, it is said, is to do away with an advantage which tax-exempts have held over taxable obligations. Tax-exempt security holders no longer may take capital loss deductions of the difference between the purchase price and the redemption or sale price, the report added. Capital losses hereafter will only be allowed when a security is sold below its amortized value.

Bond premium amortization will be effective for any taxable year starting after Dec. 31, 1941, and is said to be mandatory for tax-exempt securities held both by corporations and individuals. Fully taxable security holders can elect the amortization method, but once taken, it will apply to all taxable obligations held unless permission is obtained from the Commissioner of Internal Revenue to change the election. In the case of partially tax-exempt issues, amortization will be mandatory for corporate holders but it will be optional so far as individual security owners are concerned.

Three More States Vote Highway Bond Protection

Unofficial election returns from Iowa, Oregon, and West Virginia reveal that in all three States the voters piled up overwhelming majorities in favor of proposed constitutional amendments prohibiting the diversion of highway funds.

Ratification of the three amendments at the Nov. 3 election brought to 14 the States which require use of all gasoline taxes and registration fees for maintenance and construction of roads and payment of principal and interest on highway bonds. The people of California, Colorado, Idaho, Kansas, Michigan, Missouri, Minnesota, Nevada, New Hampshire, North Dakota, and South Dakota had previously ratified such amendments.

West Virginia's "Good Roads Amendment" was given 218,652 votes for and 38,196 votes against it, a majority of nearly 6 to 1. In Oregon the vote was 125,364 for and 87,411 against the amendment, a ratio of 1½ to 1. Incomplete returns from Iowa show 169,271 votes for the amendment and 20,183 votes against it, a ratio of about 8 to 1.

Post-election reports from all three of the States indicate that tire rationing and other wartime restrictions, which in recent months reduced gasoline consumption in the three States from 16% to 35% below the same months a year ago, were important factors in the size of the vote cast in favor of this method of protecting road revenues.

Two other factors also are credited with piling up a record majority for these amendments. In each of the three States large bond issues were outstanding and some provision to insure payment of highway bond service and maintenance during the war without increasing taxes was essential.

The second factor was the apparent desire in each State to protect road funds against dissipation in order to insure their availability for highway construction projects as a cushion against post-war unemployment.

The Detroit Award

Space limitations preclude any detailed discussion in these columns of the circumstances of last week's award by Detroit of the $4,258,000 sewage disposal system revenue refunding bonds. It seems obvious, however, that the action taken by city officials in rejecting the high bid at the original offering was rather dictatorial, to say the least. Moreover, the city, at least in this instance, would appear to have sidestepped in some degree the accepted standards inherent in the competitive bid principle. The city, of course, had every legal right to reject the high bid submitted in the original instance, although the propriety of the action cannot be so easily defended in light of all of the facts.

Major Sales Scheduled

We list herewith the more important municipal offerings ($500,000 or over—short term issues excluded), which are to come up in the near future. The names of the successful bidder and the runner-up for the last previous issue sold are also appended.

(Ed. Note—Very few municipal bond issues of major size are scheduled for award in the near future. With expenditures for local improvements held to bare necessities by the demands of war-time policies, the prospect naturally is that for some time to come the amount of new issues coming to market will be small.)

Most of the activity in the market in recent weeks has been occasioned by the placement of large blocks of old issues acquired from the original holders, such as certain insurance companies and municipal sinking funds. Several sizeable operations of this character are scheduled for Dec. 1 and include an offering of $2,157,000 bonds by the New Jersey State Teachers' Pension and Annuity Fund and $4,390,000 by the Bankers Life Co. of Des Moines.

December 1

$2,600,000 Rochester, N. Y.

At the previous sale in February, the successful bidder was a syndicate headed by Halsey, Stuart & Co., Inc. Second high bidder was an account headed by Lehman Bros. of New York.

$2,500,000

The Sanitary District of Chicago

Refunding Bonds of 1943, Series F

Due January 1, 1963

Optional serially, at par and accrued interest on January 1 or on any interest payment date thereafter, $125,000 each year 1944 through 1962.

These Bonds, to be issued for refunding purposes, in the opinion of counsel will constitute valid and legally binding obligations of The Sanitary District of Chicago, payable from ad valorem taxes to be levied against all the taxable property therein without limitation as to rate or amount.

Prices to yield 0.80% to 2.00%
to optional date and coupon rate of 2% thereafter until redeemed

These bonds are offered when, as and if issued and received by us and subject to approval of legality by Messrs. Chapman & Cutler, whose opinion will be furnished upon delivery. The offering circular may be obtained in any state in which this announcement is circulated only from such of the undersigned and other dealers as are licensed and offering these securities in such state.

HALSEY, STUART & CO. INC.
CENTRAL REPUBLIC COMPANY
PHELPS, FENN & CO.
OTIS & CO. INC.
MULLANEY, ROSS & COMPANY
MILLER, KENOWER & CO., INC.
STRANAHAN, HARRIS & CO., INC.

Dated January 4, 1943. Interest payable January 1, 1944 and semi-annually, January 1 and July 1, thereafter. Principal and interest payable in Chicago, Illinois. Coupon bonds in the denomination of $1,000, registerable as to principal only. The information contained herein has been carefully compiled from sources considered reliable, and while not guaranteed as to completeness or accuracy, we believe it to be correct as of this date.

November 26, 1942.

Investment Trusts

(Continued from page 1879)

gain of 18.4% for the investment companies. Although dividend payments by the investment companies were generous during this period, no adjustment for dividends was made in determining the performance figures. This is altogether a creditable showing for the investment companies during a most difficult period.

* * *

The November issue of Lord, Abbett's "Background" discusses the role that consumer industries are playing in our war economy. To Americans who cherish the American tradition of individualism, the conclusions reached are sound and satisfying. We quote:

"There is considerable conjecture as to whether business of the future will be as free as it always has been in the past. Some observers believe that the war may pave the way to industrial socialization. However, their arguments are not entirely convincing. In the first place, Washington itself has given many assurances that individual initiative and free enterprise will be preserved. In the second place, the American public has always clung tenaciously to its traditions of equal opportunity and individualism. Perhaps a parallel may be drawn from an incident in World War I.

"On Angel Island, San Francisco Bay, a group of youthful soldiers were eagerly trying on the new khaki uniforms that had just been handed out to them. A Spanish American War veteran who had rejoined the Service for the new war dryly commented: 'You are happy to put on the uniforms now, but you'll be much happier to take them off when this job is done.' In the case of an overwhelming majority of American soldiers, the veteran's prediction was doubtless true. During the war emergency they wore the uniform with high spirit and readily shouldered the new restrictions and discipline that army life entails, but once peace had been restored they were only too glad to get back to the freedom of their former life.

"It seems altogether probable that the American public, which is now willingly accepting restrictions on its former liberties and is enthusiastically ready for still more to come, will be even more enthusiastic after victory has been gained to return to the old order."

* * *

Sticking to his guns, the forecaster who discusses the intermediate trend of stock prices in the National Securities & Research Corp.'s "Investment Timing" service had this to say in the issue of Thursday, Nov. 19:

"Today's market was dull and indecisive. The entire range of the hourly Industrial Average was only 0.16 points. The volume was only 503,000 shares. While there were no visible indications of an immediate down move, there were no visible indications of an immediate rally. We must, therefore, continue to hold the position, which the action of the market over the past six weeks and especially during the week just finished has so strongly suggested, namely, that lower prices will be seen before any sustained upward movement occurs."

* * *

Distributions

Keystone Custodian Fund Series "S 2"—The regular semi-annual distribution for the six months' period ending Nov. 30, 1942, was paid Nov. 15 to stockholders of record Oct. 31, 1942. The distribution amounted to 45¢ of which 43¢ represented net income and 2¢ capital surplus.

U. S. Savings and Loan League War Conference

50th Annual Meeting Studies War Housing and Saving

Loaning Task Of Savings Associations Changed By War But New Horizons Are Opening

The $161,670,000 which savings, building and loan associations have supplied during the first nine months of 1942 to finance construction has contributed 49,000 new units of shelter, almost entirely in war industry areas. This was one major activity of these institutions to further the war program cited by Fermor S. Cannon, President of the United States Savings and Loan League, in his address before the League's Chicago war conference on housing and savings on Nov. 16. Mr. Cannon said that the "knotty questions incident to rent control" have placed added responsibility in the hands of these home financing institutions and that counsel and guidance on these matters have been given to thousands of members of the savings, building and loan associations throughout the country. He added:

Fermor S. Cannon

"We have before us the opportunity to cooperate in remodeling existing housing units. Our loaning task is changed somewhat in character, but it is still possible to devise ways and means to assist under and within the framework of the current regulations. Some of the war housing we have financed has been of the 'mass production housing' type, a fact which should encourage all of us as to our ability to meet such problems when housing is once more permitted on a peacetime scale. Even under the current reduced specifications governing war housing we should find opportunity to provide funds for housing which is one war activity still causing nationwide concern."

Mr. Cannon urged that no barrier be placed on prepayment of home loans by borrowers whose incomes have been swollen by war work. "This program of more rapid repayment is an added safety valve for controlling the spending of available funds," he said.

Since the war conference of the League was its 50th annual meeting, Mr. Cannon reviewed some of the outstanding developments of the half century of this national organization of the savings, building and loan associations. "The pioneers of our business were facing a crisis in our affairs at the end of the 1880's," he pointed out. He went on to say, "The problem of their day involved the attempt to nationalize the operations of associations using the well-developed formula of the locally operating associations. Cooperation in the effort to control this situation was obtained through the formation of a national league.

"The next forward step in our operations was the attempt to gradually better statutes in the various states to insure the safety of the associations. Then came the evolution and realization of the Federal Home Loan Bank system, through the efforts of the United States League, which great system of reserve Home Loan Banks has greatly fortified our services to our country."

Assets Of Savings, Building & Loan Ass'ns Reach Highest Point In Seven Years

The total of savings, building and loan association assets for the nation has reached $6,053,345,616, its highest point in seven years, reflecting an upward sweep of $258,815,766 last year, H. F. Cellarius, Secretary-Treasurer of the United States Savings and Loan League, told the League's War Conference on housing and savings at Chicago on Nov. 16. He reported a gain of 219,703 persons as investors in, and borrowers from, these thrift and home financing institutions, giving them a total membership of 6,978,057 persons in the associations as of Dec. 31, 1941. There are 7,207 institutions now in operation. The announcement from the Association states that these full statistics as of the close of last year made available for the first time on Nov. 16 show that 1941 was the best year of the past 11 for these institutions. In 42 States, the District of Columbia, Alaska and Hawaii they gained in total assets. In 14 of these States the gain was more than $10,000,000. The advices also state:

"Ohio continued as the nation's leading savings and loan State, with its aggregate assets at $909,502,772. It also made the largest gain of any State last year. Other States whose assets are now more than $250,000,000: Massachusetts, with $527,459,102 in cooperative banks and savings and loan associations; New York, with $476,058,935; Pennsylvania, with $457,045,291; Illinois, with $414,953,828; New Jersey, with $350,409,346; and California, with $342,323,997.

"A gain of 8.5% in mortgage loan investments for the year 1941 was reported for the combined associations by Mr. Cellarius, making their mortgage loans outstanding, $4,798,753,183, as of Dec. 31. The figure constitutes 79.2% of all savings, building and loan assets. He said that last year was the fifth successive year in which the percentage of total assets invested in mortgage loans had increased. The associations had only 5.7% of total assets in real estate as of the close of last year, Mr. Cellarius said, and reserves were 7.9% of combined assets at the close of 1941."

Mr. Cellarius further said:

"Such, briefly, was the situation when these associations entered the year of greatest uncertainty in this century, the nation's first year of involvement in World War II. The fact that they were in a relatively strong position, having done an unusual volume of sound business in 1941, has undoubtedly paved the way for smoother running than would otherwise have been possible.

"After the first months of reaction to the involvement in war when there was a definite outflow of funds from our associations, the net gain in savers' and investors' capital, month by month, has been re-established and in the summer of 1942 it was even greater than it had been the previous year. There is, thus, some good reason for belief that by the close of 1942, savings and loan will show another year of total assets growth and an increase in the number of persons using the associations for saving or borrowing purposes."

Roosevelt Praises Savings & Loan Ass'ns As Contributors To Country's Strength

Declaring that a "nation of home owners, of people who own a real share in their own land, is unconquerable," President Roosevelt sent a message to members of the War Conference on Housing and Savings of the United States Savings and Loan League in Chicago. He told the savings and loan executives that they had the unique satisfaction of knowing that their institutions' business "of financing homes over a period of one hundred years has contributed inestimably to your country's strength." The following is the text of President Roosevelt's letter addressed to the board of directors of the League and read to the conference by Fermor S. Cannon, President of the League:

"The special War Conference of your district and state leaders, called this year in place of your annual convention, is new evidence of the awareness of the savings and loan industry of the necessity of concentrating only on our one great task.

"Since the nation's danger first became apparent, savings and loan associations and other thrift institutions have used their resources and experience in the service of their country. I refer not only to your contributions in providing thousands upon thousands of homes for war workers and in aiding the sale of War Savings Bonds, but to the manner in which you have supported the vital measures to protect our national economy.

"I fully appreciate the effect upon your business of the transition to a war economy. The fact makes all the more inspiring the assurance addressed to me by your president that your institutions 'are united and firm in their desire to aid in every possible way the all-important war program, regardless of the sacrifices involved.'

"You have the unique satisfaction of knowing that your institutions' business of financing homes over a period of one hundred years has contributed inestimably to your country's strength. A nation of home owners, of people who own a real share in their own land, is unconquerable.

"Please accept my best wishes for the success of your conference. The realistic basis on which it is being called makes me believe the country will benefit from your determinations.

Very sincerely yours.
Franklin D. Roosevelt"

The First Federal Savings and Loan Association of Charleston, South Carolina
Established 1934
Assets over $1,500,000
Financial and operative statements sent on request

Franklin Federal
SAVINGS AND LOAN ASSOCIATION
of Richmond
Assets over $3,700,000.00
We Invite Your Inquiry On
Investment Of Trust Funds
RICHMOND . . . . . . VIRGINIA

Growth of the Perpetual

1st year	1882	Resources	$27,843.28
11th "	1892	"	900,822.64
21st "	1902	"	2,353,359.39
31st "	1912	"	3,428,144.88
41st "	1922	"	8,447,613.08
50th "	1931	"	26,749,387.06
51st "	1932	"	30,596,813.40
52nd "	1933	"	32,046,298.20
53rd "	1934	"	35,989,219.58
54th "	1935	"	39,834,747.90
55th "	1936	"	43,399,131.66
56th "	1937	"	46,784,020.67
57th "	1938	"	48,413,076.24
58th "	1939	"	50,253,515.75
59th "	1940	"	51,792,313.18
60th "	1941	"	54,216,152.33
61st "	1942	"	56,734,244.06

PERPETUAL
Building Association
"America's Largest"
WASHINGTON, D. C.

1881 SIXTY-ONE YEARS 1942
WASHINGTON PERMANENT BUILDING ASSOCIATION
Washington, D. C.
Statement of Condition June 30, 1942

ASSETS

Total Outstanding Loans	$10,481,728.26
Office Bldg. and Fixtures and Equipment	61,317.13
Insurance Premiums Advanced	916.80
Stock—Federal Home Loan Bank	100,000.00
U. S. Government Bonds	74,968.75
War Bonds—Series "G"	100,000.00
Interest Accrued to June 30, 1942	56,850.89
Cash on Hand June 30, 1942	340,541.61
	$11,216,323.44

LIABILITIES

Total Shares	$9,561,844.17
Reserved for Dividends on Shares (Investing)	159,854.23
Reserved for Dividends on Loan Shares	4,500.00
Unpaid Dividends	25,378.36
Loans in Process	190.500.00
Notes Payable	250,000.00
Accrued Interest Notes Payable	1,253.43
Social Security Taxes Not Paid	91.59
Net Surplus	1,000,000.00
Reserve for Contingencies	22,901.66
	$11,216,323.44

CARL J. BERGMANN, President
HERMANN H. BERGMANN, Vice-President
JULIUS A. MAEDEL, Secretary

U. S. Savings & Loan League Takes Stand In Interest Of Private Enterprise In Building

The fiftieth annual meeting of the United States Savings and Loan League, which World War II reduced to a war conference on housing and savings, was held in Chicago, with delegates in attendance sent from State Leagues in all parts of the country.

Discussing the problems facing savings and loan associations during the war and post war years, the League adopted certain resolutions determining its policy for the future.

"There is abundant evidence that public housing officials are using the war housing program as a vehicle to broaden the scope of social housing," a resolution adopted by the League declares.

"The privilege and preference accorded public housing over private home construction of equally urgent need has hampered private enterprise which in the face of these obstacles has shown an excellent record in providing war housing. The United States Savings and Loan League, with a membership of nearly 4,000 thrift and home-financing institutions representing over 6,000,000 of our thrifty citizens, now takes a positive stand in the interest of private enterprise and expresses its determination to do the war housing job to the extent that permanent units are required. Government policy should be directed toward getting the job done and the issue of social housing should not be permitted to retard progress on this most important factor of the civilian front."

Another resolution commended the Boykin subcommittee of the Congress which recently caused the revocation of a WPB order terminating the issuance of necessary priority orders that would permit the construction and remodeling of housing for war workers by private industry. This resolution set out:

"We submit that the American way of life requires that Governmental authority should accord every preference to aid and encourage private initiative in meeting the housing requirements for our war workers, and that the construction of public housing should be resorted to only as supplemental and emergency in character. Those Congressmen, under the leadership of Representative Frank E. Boykin of Alabama, who realized the necessary role of private enterprise in the provision of housing for war workers have performed an outstanding public service and deserve the gratitude and commendation of all who are interested in the preservation of our private enterprise system."

On the subject of rent control, the conference by resolution petitioned the Congress "to keep on a parity the incomes of small property owners, wage earners and farmers, pursuant to the policy of equity established in dealing with wage earners and farmers." It added:

"In the interest of justice and fair play, we ask that any rent ceilings heretofore established for homes, apartments or residential property at any date prior to Sept. 15, 1942, shall be adjusted so that the 15,000,000 small property owners may be treated as equitably as farmers and wage earners."

Other resolutions passed included a plea for economy in government, a protest against regimentation attempts on the part of government agencies which have no clear relation to the mobilization for war; an appeal for early repayment of the government capital in the Federal Home Loan Bank System and the restoration of the System to the original concept of a privately owned and fully independent credit agency for the thrift and home financing institutions of the country; and a call for more speedy liquidation of the Home Owners Loan Corporation.

The resolution, calling for decreasing expenditures asked the Congress specifically to:

1. To require that the Federal Housing Administration cease insuring mortgages upon existing houses.
2. To discontinue Federal subsidy for farm credit.
3. To discontinue the expenditure of government money to house middle class people at government expense, except to the extent necessary for war production.
4. To discontinue purchase by the government of mortgages through its agencies such as the Federal National Mortgage Corporation and Reconstruction Finance Corporation.
5. To restrict cost to the government of information services and the cost of unnecessary use of government frank.
6. To reduce the premium rate charged savings and loan associations and insurance accounts to 1/12th of 1%.

As to the resolution on regimentation for other than war purposes, it was said:

"There are many government agencies whose functions in wartime are essentially the same as in peacetime. Their executive orders, exercise of authority, and operations are not in the nature of things concerned with the mobilization of the nation's resources for the war. Any encroachment by them upon the prerogatives of free enterprise and independent management at this time is a step toward losing the way of life for which we are fighting. Definite distinction exists and must continue to exist between the prerogatives of government agencies now in operation for defeating the Axis and those agencies whose responsibilities are not created by the war.

"We protest vigorously, wherever it exists, the use of the powers which an independent citizenry has temporarily surrendered to its government in order to win a war as an excuse for the permanent establishment of a regimental economic system."

The League also adopted a "Declaration of War by the Unarmed Savings and Loan Men and Women of America" pledging themselves to a definite program for the duration of the war; the League declared war on business-as-usual, on partisanship, on special privilege, on inflation, on poverty and depression after the war, and on delay in everything important to victory. Among the promises contained in the program, were selling war bonds to the fullest extent, and having their institutions buy them in unlimited amounts; encouraging people to save and not to spend to prevent inflation; keeping their institutions functioning, and protecting the future of their borrowing members who have entered the armed forces.

The conference also, on behalf of its nearly 4,000 member savings and loan associations located in all parts of the country, tendered the League's "assistance and cooperation to facilitate a more speedy liquidation of the Home Owners Loan Corporation and thereby accomplish the purposes of its original creation." This resolution also said:

"During the period from 1933 to 1936, the Home Owners Loan Corporation made a substantial contribution to the economic recovery of the country through its program for refinancing the mortgage indebtedness of approximately one million distressed home owners in this country. Since that time and in accordance with Congressional mandate, the corporation has been in process of liquidation.

"The United States Savings and Loan League commends the officials of the corporation upon the general efficiency of its operation and high quality of service that it has rendered in the discharge of its responsibility. With the steadily increasing improvement in economic conditions throughout the country, we feel that the time has now arrived when private capital is in a position to assist in and expedite the liquidation of the corporation's affairs by purchasing and locally servicing a large proportion of the corporation's present mortgage holdings."

Purchase Of War Bonds Is Home Front Battle

The importance of practicing thrift in the present situation to use up a $40,000,000,000 gap between the national income and living expenses, was stressed before the war conference of the United States Savings and Loan League by Robert Coyne, Field Director for the War Savings Staff of the Treasury Department.

Mr. Coyne said that purchase of war bonds must become a means of fighting on the home front rather than of playing at being a soldier on an emotional impluse. He pointed out that the national income in 1943 will be approximately $125,000,000,000, goods and savings worth only $70,000,000,000 will be produced, and State, Federal and local taxation will take only $15,000,000,000. This leaves a gap of $40,000,000,000 to be saved or squandered.

"We can win a smart man's peace by starting now to win the battle against inflation," he said. "It will be just as large a job to maintain prosperity after the war as it is to produce the materials needed for carrying on the war now."

Mr. Coyne appeared at the conference as the Treasury's representative, replacing Ted R. Gamble, Assistant to Secretary Morgenthau. Mr. Morgenthau told the conference in a message that Mr. Gamble's urgent work had forced him "to forego the pleasure" of attending the meeting.

Savs. & Loan Ass'ns Gain In Net New Money

The savings, building and loan associations of the nation siphoned off $146,468,000 from the mounting inflationary tide of the national economy during this past summer, showing a net gain of approximately this amount in their savers' and investors' capital between the beginning of June and the end of August. This is reported by Morton Bodfish, Executive Vice President of the United States Savings and Loan League, Chicago, who on Nov. 1 said that this net gain in money in the thrift and home financing institutions was half again as large as in the summer of 1941, when the previous post-depression record in net new money was achieved.

Two factors entered into the marked increase, Mr. Bodfish said, as follows:

"New money flowed in at a rate of 10% faster than last summer, reflecting the mounting payrolls due to war production and increased employment, and the results of intensified anti-inflation advertising campaigns by these associations.

"On the other hand withdrawals of accumulated savings, building and loan funds were off 5% from their volume the previous summer, another reflection of the fact that more current earnings are available now for emergencies and living costs for the average citizen."

Mr. Bodfish also said:

"The purchase of more than $80,000,000 in government bonds, including War Bonds, Series F and G, by the savings and loan institutions since July 1 shows where much of this increased investment on the part of the savers and investors has been put to work by the association. This increased investment in savings and loan has helped slow down the inflationary tendencies in our national economy by the savers' not having spent it for consumer goods. It has also contributed to holding down the general price level by providing additional savers' capital from which a part of the war could be financed so that this much more of the cost of victory did not have to be financed out of commercial bank loans with the seeds of inflation inherent in them."

Morgenthau Praises Savings & Loan Ass'ns For Aid To Treasury

Praise for the savings and loan associations for their "splendid service" to the Treasury's war savings program was expressed by Secretary of the Treasury Morgenthau in a message to the United States Savings and Loan League convention in Chicago. In his message, Mr. Morgenthau said:

"Since the inception of the War Savings Program the savings and loan associations have given splendid service to the Treasury. I am grateful to all of your institutions who have been buying Government Bonds in considerable amounts and whose representatives have given unsparingly of their time in promoting the sale of War Bonds to the individual. May I encourage you to keep up this good work until the war is won and our job at home has been accomplished."

Secretary Morgenthau indicated that he had asked Robert Coyne, Field Director of the War Savings Staff to represent Ted Gamble, who had originally been scheduled to address the conference, but who had been unable to attend the meeting because of the urgency of the task on which he was engaged.

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Forty Years of Uninterrupted Dividend Payments
WINSTON-SALEM, N. C.
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SAVE HERE
All savings accounts here are insured up to $5000.00 and current dividends are 3%. We know of no other equally safe investment that will pay you as good a return on your money.—Send card for free booklet and information
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U. S. Savings & Loan League Elects Cake President At War Conference Meeting

Ralph H. Cake of Portland, Ore., was elected fiftieth President of the United States Savings and Loan League at the annual meeting in Chicago Nov. 16. Mr. Cake is President of the $16,000,000 Equitable Savings and Loan Association. He succeeds Fermor S. Cannon, Indianapolis, as head of the League and has served as both First and Second Vice-President.

Ralph H. Cake

Other officers elected to serve wtih him in the wartime administration of the national savings and loan organization are John F. Scott, St. Paul, President of the Minnesota Federal Savings and Loan Association, who is the new Vice-President; W. Megrue Brock, Dayton, Ohio, President of the Gem City Building and Loan Association, who will be Second Vice-President, and Herman F. Cellarius, Cincinnati, re-elected Secretary-Treasurer for the forty-sixth time.

John F. Scott

W. M. Brock

H. F. Cellarius

Fred G. Stickel, Jr., 11 Commerce Street, Newark, N. J., was re-elected Director for District II of the League.

E. J. Rupert, Vice-President and Secretary of the Broadview Savings and Loan Company, Cleveland, Ohio, was chosen Director for District IV.

G. J. Casselberry, President of the First Federal Savings and Loan Association of El Paso, Texas, was again named Director for District VI, and George B. Campbell, Vice-President and Secretary of the Independent Building-Loan Association of San Jose, Calif., was re-elected Director for District VIII.

The following national Councilmen were chosen at the meeting of the League:

Montana: V. D. Clark, Executive Vice-President and Secretary of the Security Building and Loan Association of Billings, Mont.

Nebraska: Ford E. Hovey, President of the Occidental Building & Loan Association of Omaha.

New Jersey: Henry N. Stam, President of Totowa Savings and Loan Association of Paterson.

New York: E. Clinton Wolcott, President, First Federal Savings & Loan Association of Rochester.

North Carolina: N. Mitchell, Executive Vice-President, Piedmont Federal Savings and Loan Association of Winston-Salem.

North Dakota: H. H. Wooledge, President, Northwestern Mutual Savings & Loan Association of Fargo.

Ohio: James V. Davidson, President of First Federal Savings & Loan Association of Toledo.

Oklahoma: L. W. Grant, President of Home Federal Savings & Loan Association of Tulsa.

Oregon: Keith Powell, President, Salem Federal Savings & Loan Association of Salem.

Pennsylvania: Fred A. Werner, Executive Vice-President, Lansdowne Federal Savings & Loan Association of Lansdowne.

Rhode Island: Ralph H. Crosby, Vice-President, Old Colony Bank, Providence.

South Carolina: Marion M. Hewell, Secretary-Treasurer, Fidelity Federal Savings & Loan Association of Greenville.

South Dakota: Matilda Gage, Secretary, Home Building & Loan Association of Aberdeen.

Tennessee: W. C. Walkup, Vice-President and Secretary, Home Federal Savings & Loan Association, Knoxville.

Texas: W. W. McAllister, President, San Antonio Building & Loan Association, San Antonio.

Utah: M. L. Dye, President, First Federal Savings & Loan Association, Salt Lake City.

Vermont: R. A. Cooke, President, Burlington Federal Savings & Loan Association of Burlington.

Virginia: William C. Stuart, General Manager, Mutual Home & Savings Association, Newport News.

Washington: F. S. McWilliams, President of Fidelity Savings & Loan Association of Spokane.

West Virginia: J. D. Shultz, Secretary-Treasurer, Fayettville Federal Savings & Loan Association, Fayetteville.

Wisconsin: F. Dean Cardinal, Secretary-Treasurer, Kinnickinni Federal Savings & Loan Association of Milwaukee.

Wyoming: I. W. Dinsmore, Executive Vice-President and Secretary, Rawlins Federal Savings & Loan Association of Rawlins.

NY Delegates Attend Savs.-Loan Conference

The New York State delegation to the United States Savings and Loan League War Conference was announced by Zebulon V. Woodard, Executive Vice-President of the New York State League of Savings and Loan Associations. It was headed by Clarence J. Roberts of Carthage, President of the New York State League of Savings and Loan Associations, and other delegates included: E. M. Van Norden, immediate past President of the New York State League and Director of the United States League; Otto Welk, George L. Bliss, Leon Fleischmann, Harold C. Hahn, Albert T. Maurice, Dr. Herman L. Reis, Jason Meth, Everett Smith, Nugent Fallon and Zebulon V. Woodard, New York; LeGrand W. Pellett, Newburgh; W. Gilbert Livingston, Bronxville; Arthur P. Bartholomew, Willis J. Almekinder and E. Clinton Wolcott, Rochester; Selden W. Ostrom, New Rochelle; Richard A. Greer, White Plains; Norman H. Polhemus, Poughkeepsie; Fred W. Herendeen, Auburn; Ambrose P. Gardiner, Whitestone; Axel Swenson and Harry L. Dayton, Bayside; Emile Rathgeber, Flushing; Claude B. Gandy, Joseph Holzka and Herbert G. Winsch, Staten Island.

Jersey Delegation At Savs.-Loan Conference

Fourteen delegates from the New Jersey Building & Loan League were present at the War Conference meeting of the United States Savings & Loan League in Chicago. Members of the delegation were:

Edward J. Fyfe, President, New Jersey Building & Loan League; Emil A. Gallman, Executive Vice-President, New Jersey Building & Loan League; Edwin R. Conover, Red Bank Building & Loan Association, Red Bank; Judge Fred G. Stickel, Jr., of Newark, United States League Director; Henry N. Stam of Paterson, United States League Executive Councilman; J. Alston Adams, Westfield Federal Savings & Loan Association; Arthur T. Dailey, Summit Federal Savings & Loan Association; Maurice K. M. Murphy, Boiling Springs Savings & Loan Association; Austin I. Mehrhof, Central Bergen Savings & Loan Association; Richard Loeffler, Union City Savings & Loan Association; Harold T. Curran, Union City Savings & Loan Association; Wilfred G. Turner, Union City Savings & Loan Association; Jerome B. McKenna, Deputy Commissioner, Department of Banking and Insurance, and Robert G. Clarkson, Vice-President, Federal Home Loan Bank of New York.

Single Authority Declared Essential To Solving Problem Of Manpower Situation

A single authority will have to be created to get a perspective on the manpower situation which is becoming an increasing muddle and increasingly expensive to the nation in terms of men and materials as well as money, according to Representative Everett M. Dirksen (Rep., Ill.), speaking before the final session of the United States Savings and Loan League war conference in Chicago. Mr. Dirksen summarized the numerous suggestions which have been made on the subject of what he called "rationing people" and pointed out that most of the implications of those plans had not been discussed, such as what happens to seniority rights of an employee who is transferred from one employ forcibly to another and similar implications of rationing of "flesh and blood."

"We will hear more of the 48-hour week after Jan. 1," he said. "When the new Congress meets it is going to be resolute in its determination to do something about the manpower muddle. We can't have our boys fighting anywhere on our 30,000-mile battle front with insufficient equipment, because of a manpower shortage at home." He added:

"There are more civilian employees in Federal, State and local Government than there are in the Army and Navy put together. Maybe we can get some of our manpower from them. I propose to look into it."

Representative Dirksen spoke of post-war planning and asked if the people are willing to fight on the sidelines and let the same thing happen as in 1933 with relief projects. "Something has to be done if we are going to get an honest-to-goodness program. and as I see it the Congress will have to develop a program for post-war activities."

At its opening session the League resolved to answer in full the challenge of the Treasury's newly-announced financing plan of "seeking most of its funds from the general public."

"We promise that we will sell war bonds to the fullest extent of our ability and energy, without regard to cost and time involved, so that as far as dollars make a difference the planes, tanks and guns will be at the right place at the right time," the unanimous resolution said. "We promise that our institutions will buy government bonds in unlimited amount every week and every month as funds are available."

Fermor S. Cannon, President of the League, said that the latter promise was particularly pertinent to the Treasury's program since the savings and loan institutions' investment of savers' funds in government bonds represents a non-inflationary transaction, and has the same effect on the economy as purchase by the general public."

Savs. League Pledges To Buy Govt. Bonds

A goal of $300,000,000 investment in government bonds in 1943 was set by the savings, building and loan associations by resolution adopted by the United States Savings and Loan League War Conference.

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Great Housing Demand Predicted After War Necessitating Changes In Building Industry

Praising the builders and mortgage lenders for the job being done in war housing, Abner H. Ferguson, Federal Housing Commissioner in the National Housing Agency, predicted that the post-war period will offer "immense opportunities in providing the American people with the enormous amount of housing that is going to be needed."

In an address before the conference of the United States Savings and Loan League in Chicago, Mr. Ferguson said that "when the war is over, there already will be developed in America a need and demand for houses almost without limit," and he predicted that, except for a short period of transition from war to peace, the country would enter into a period of "unexcelled prosperity."

Saying "it is generally conceded that post-war America will be a largely different America economically," Mr. Ferguson said he was confident that "we are going to emerge with our system of free private enterprise still operating, but that it will have to be subjected to certain regulations and controls in order that it may better serve the interest of the people as a whole."

From Mr. Ferguson's address we also quote:

"A few weeks ago in Washington, I attended a conference of builders. I told them that every time I heard a group of builders talking about war-housing I was overwhelmed by a new amazement that they could continue to struggle with the problem, in view of the many uncertainties and onerous restrictions which of necessity have continued to hamper their efforts. I told them they were entitled to the unqualified gratitude of the nation.

"I make this same statement to you as among those who have provided the funds with which these houses have been built, and the number is not inconsequential. In 1941 there were 619,487 units of urban residential construction built in the United States with private funds, and while it has dwindled considerably during 1942, the figures show that 259,751 units of private construction were started in the first nine months of 1942. The National Housing Agency has programmed 270,000 units for the year beginning Oct. 1, 1942. I would not hazard a guess as to what additional amount of war housing, if any, is going to be built during the entire period of the war.

* * *

"When the war is over, there already will be developed in America a need and a demand for houses almost without limit. We will find a country with a national income of probably $100,000,000,000 a year. We will find a country with full employment. We will find a country with trade prospects in unheard of amounts. We will find a country with a welled-up demand for peace-time products of all kinds, with thousands and thousands of houses needing deferred repairs and with a backlog of new houses variously estimated at from 900,000 to 2,000,000 a year for ten years. We will find a country still with unmatched natural resources and the whole world as our market. I can see no reason why, excepting possibly for a short period of transition from war to peace, the United States should not enter into a period of unexcelled prosperity after the war."

The post-war demand for houses, said Mr. Porter will not be "for houses in the higher brackets, but for houses selling for even less than we have ever experienced before," adding that "to serve this market, certain fundamental changes will have to be made in the building industry." Mr. Ferguson continued:

"We cannot continue to build houses piece by piece, as shoes were made a hundred or more years ago, if we expect to get the price of houses down to a point where they will appeal to the mass market of the lower middle-class citizen.

"In order to accomplish this, it is, I believe, going to be necessary for the building industry to be transformed from its present disorganized, disintegrated and inadequately financed condition into an efficient, adequately capitalized industry comparable to others, such as the automobile industry, whose marvelous success has been brought about by constantly building better cars for less money. There should be construction companies with adequate capital, which we do not have today to any considerable extent. These companies, with ample credit facilities, could build houses on a mass-production basis just as the large automobile companies build cars, thus superseding the methods now used and which are little different from those used 50 to a 100 years ago. By reason of their mass operations they could substantially reduce the cost of houses through the purchase of land and materials in volume, through prefabrication and through the possibility of furnishing constant employment to their labor.

"Another fact that we must acknowledge if we are to meet the post-war need and maintain a sound mortgage structure, is that this building will be more generally distributed throughout the country and not be confined to the large metropolitan areas as was the case in the late '30's.

"We all know that the wide use of the automobile as a means of transportation greatly decentralized housing and enabled people to abandon the densely populated centers of the cities for the wide spaces of the areas surrounding them. If, as many predict, the airplane does become a major method of transportation after the war the outward movement may be greatly extended and people who now live five or seven miles from their work may then live 50 or more miles away."

Mr. Ferguson pointed out that the development of prefabricated or factory-built houses and of substitute materials by the war housing program will be of "inestimable value" in post-war building.

Declaring himself "a perennial advocate of home ownership," Mr. Ferguson said:

"Home owners are the backbone of the nation and never become revolutionists. The intangible something that is the inheritance of a child reared in a home owned by his parents—the sense of belonging, the security and pride of possession—these are some of the precious traditions we are fighting for in this war. Your associations have long recognized this human instinct and made it the cornerstone of your lending policies. It is something we cannot forget.

However, there is a large segment of our population, estimated variously at from 40% to 70%, who, for one reason or another, can not or will not assume the burdens of home ownership. We must not overlook this field, although I must admit we have not met with perfect success in trying to interest investment capital in rental housing projects. I do not believe that rental housing projects should be undertaken by operative builders, but that they are prime outlets for investment capital. This is demonstrated by two ventures in Washington; one of which has paid annual dividends of 5% from 1897 to 1923 and 6% from 1923 to the present time, including the heavy depression years. The other has paid dividends of 5% continuously through the past 10 years."

Discussing the need for city planning, Mr. Ferguson had the following to say:

"This planning will have to be based upon calculations of existing and future population, the number of families and their income ranges. It will depend upon studies of proposed future distribution of different land uses and occupancy, evolving gradually into an ever-adaptable and workable master plan, indicating major thoroughfares and transportation systems, school and recreational facilities distribution, other utilities and services and employment centers. Blighted areas will have to be designated. Land use and occupancy and their relationship to public service will need to be specified, including areas for publicly financed slum clearance projects and those reserved for development by private capital.

"Of course, even under the most favorable conditions little can be accomplished over night, but such a master plan would represent a goal toward which to work and might offer a starting point as to the specific steps necessary. Among the first of these is perhaps the necessity for a lower tax rate for the inlying areas. Possibly the Federal Government may have to subsidize the cities at the start and until municipal income and expenditures can be reoriented, reorganized and equalized."

In his concluding remarks Mr. Ferguson said in part:

"Although it is hardly possible to define at this time exactly the technical and scientific development of the war, we do know certain things that point the way. As a result of the war effort the country's production capacity has tremendously expanded. Aluminum production, for instance, has trebled and in a few years will be about seven times what it was before we entered upon our defense program. The development of plastics is making tremendous strides. New uses and experience with plywood is another war time development. Magnesium is an almost new material, as are other new synthetic materials such as substitutes for rubber. These and many more materials now being developed will most certainly have a marked effect upon house construction and equipment. And the very fact that industry is learning to produce them in tremendous quantity surely portends a lower cost house when these materials find their proper role in peace time construction.

"Side by side with the development of the house itself, neighborhood planning will be intensified—both in the development of new suburban areas and as a part of urban rehabilitation in the larger scheme of city planning. In many instances houses will be so grouped in new neighborhoods as to make them self-contained. These new neighborhoods will conform to comprehensive zoning ordinances and well prepared subdivision regulations, bringing stability into city growth and providing homes of architectural merit. In post-war developments the houses will be in a price range and of a type that properly fit into their section of the city.

"I do not believe that the house of the future will be drastically revolutionary either in design, materials or construction methods regardless of the new materials that will be available. Custom and taste do not change quickly. Nevertheless all these factors should be receiving your careful consideration because of their possible influence upon your appraisal policies in the future as well as today. For your appraisals today could be adversely affected by a more attractive and more economical house of tomorrow.

"In estimating the potential housing activity in the post-war period, repairs and modernization should not be overlooked. Such repairs as are now being made are the bare maintenance items.

* * *

"As to future financing arrangements, I do not anticipate there will be any great change. I believe the long term amortized mortgage—either insured or uninsured—is too well established for there to be any drastic revision. Under any circumstances, I feel confident in predicting that no matter how long the war may last, the FHA and private mortgage lending institutions operating with it will be ready to swing into action in whatever home financing and home repair program will be expected of them at the war's end."

Chicago Home Loans Increase 18% In Oct.

An 18% increase in October advances by the Federal Home Loan Bank of Chicago over those of September brought the October disbursement to Illinois and Wisconsin savings, building and loan associations to $380,001, A. R. Gardner, President of the bank, reported on Nov. 17. Despite the upturn from the previous month, he said, this was the least active October the bank has experienced since 1938. Meanwhile, Mr. Gardner said, repayments to the bank, which is their reserve institution, by the savings, building and loan associations reached a new October high, making a $2,452,842 contribution to the anti-inflation drive on the debt-payment front.

"Repayment of bank advances in record volume, in addition to their investment in Government bonds to the extent of $8,280,000 is not an unexpected step on the part of the thrift and home financing institutions, in view of their surplus funds," he explained. "Member institutions which need supplementary funds for meeting home loan demand in their localities are in the minority today."

In support of this fact, he cited results of a recent survey made by the bank in the Illinois-Wisconsin district; 282 savings, building and loan associations reporting had a net increase in private capital of $11.900,819 during the first six months of 1942, with a corresponding net increase of only $3,559,006 in home mortgage loans. It is stated that the small increase in loans was largely because of the fall-off in home construction after its confinement to war industry areas last spring. During the like period of 1941, Mr. Gardner pointed out, when no restrictions were on home building, these institutions added $17,419,128 to their loans outstanding on residential property.

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National Housing Administrator Predicts Large, Sustained Post-War Era Of Building

John B. Blandford, Jr., Administrator of the National Housing Agency, declared that in the post-war years the people will be eager for better living and predicted "a resurgence of the instinct of home ownership, which will lead us into a large and sustained era of building."

In an address to the United States Savings and Loan League convention in Chicago, Mr. Blandford said that before the war began, this country was seriously under-housed and that this pent-up demand for homes will provide "better and more comfortable dwellings within the reach of a new segment of our population." Mr. Blandford further said:

"The people are now saving for victory. Despite sales of War Bonds, now nearly at the rate of a billion dollars a month, savings continue to flow steadily into your institutions. Although the cost of our victory will be reflected in heavy taxes in post-war years, there are going to be millions of Americans with funds in the form of savings accounts and bonds—people who never before have succeeded in getting out of debt. They will be weary of living doubled-up in crowded districts or in shelters of temporary construction without modern comforts and facilities. They will be eager for better living."

Mr. Blandford told the conference that "savings and loan associations—and similar institutions—will be depended on for creative leadership in building a new and a better roof over America."

At the start of his address Mr. Blandford said "the shock of war has brought many new words into our vocabulary; for instance, the word 'conversion' which has a new and definite meaning for every American." He went on to say "the savings and loan associations of the country can take deep satisfaction in the knowledge that they are converting or adjusting their operations for war service. Records show that from July 1940, when the armament program began, to July, 1942, savings and loan association members of the Federal Home Loan Bank System financed the construction or purchase of nearly 350,000 homes in areas of war industries—lending a total of $1,230,000,000 for those purposes. While all these loans were not specifically for 'war housing,' they helped to relieve shortages in scores of crowded war production centers."

Mr. Blandford explained to the savings and loan men the workings of the National Housing Agency and its operating units and outlined briefly the war housing program of the NHA. With respect to the war housing program, the Housing Administrator estimated that there will be needed a total of 1,320,000 accommodations of various types to house the 1,600,000 war workers expected to move into industrial centers in the fiscal year ending June 30, 1943. He further explained that of the total, 650,000 living units are planned through greater use of existing structures and the balance of 670,000 units must be new construction. Mr. Blandford called on the savings and loan associations and similar institutions to cooperate with the NHA in its recently announced lease conversion program for housing war workers.

He concluded:

"Fortunately for civilization, not all of the processes of war represent waste. I have mentioned the stimulus to the ingenuity of building enterprise. Another by-product of war, as we rally our material and human forces together, is obviously the development of mutual cooperative effort. Private industry and government and community interests are working together on a common job. We are learning respect and tolerance and understanding for one another. These are national assets that will be turned to the benefit of the whole people on the wider horizons ahead.

"I believe the foundations are being laid for tackling the post-war job in a wholesome mental environment where fact replaces rumor, logic substitutes for emotion and tolerance wipes out prejudice. I believe we will be better able to trace the trail of relationship from home to site planning to neighborhood development to city plan and on to regional and national planning.

"I believe we will the better be able to raise our sights progressively from the home budget to the community fiscal formula and on up to our total national economy. I believe we will better climb the ladder from personal profit and security to institutional soundness and prestige, to community pride and participation and on up over the top to national vision and patriotism."

Savings Problems Of Management In War Time Studied At Savings And Loan League Conference

Continue to advertise for savings, with only a possible 20 to 25% reduction in the appropriation, was the advice passed on to the savings, building and loan associations and cooperative banks in the panel discussion on "Savings Problems of Management in Wartime," featured Nov. 17 at the United States Savings and Loan League's war conference on housing and saving. Although the continued inflow of new money at rates equal to or faster than at present was anticipated by the majority of the panel, the philosophy prevailed that every $1 you don't spend to keep your savings customers now will cost you $5 or $6 later.

Members of the panel were James V. Davidson, Toledo, O.; M. K. M. Murphy, Rutherford, N. J.; Frederick W. Ruble, Denver, Colo.; G. Vander Ende, Berkeley, Cal.; and Professor Ray B. Westerfield, New Haven, Conn. Moderator was Carl F. Distelhorst, Assistant Vice-President, United States Savings and Loan League.

Admitting that the savings flow is likely to become increasingly more difficult to invest in mortgage loans, the executives turned their attention to government bonds as an outlet and decided that somewhere between 30 to 40% of an association's assets could be in government bonds without completely upsetting the earnings structure.

Professor Westerfield pointed to the need for the associations to encourage thrift by taking all funds offered them, because "if people spend money today they are diverting time and money from war production."

The panel went into a lengthy discussion of the kinds of bonds savings and loan associations should buy. The bond portfolio most generally favored placed emphasis on the purchase of F and G War Bonds, but beyond the limit in those securities, was made up largely of short term and intermediate securities so that the bonds can be strongly held. The consensus was that there was no need to buy governments in the open market because of the wide variety of Treasury offerings available.

Professor Westerfield predicted that immediately after the war there would be four to six months of hesitancy and then a year-and-a-half to two years of a dangerous inflationary period, when controls will be off and inflation permitted to take its course.

In a panel on "Mortgage Lending Problems of Savings and Loan Managers," new methods and new ways of doing things to keep mortgage loan portfolios from shrinking under the impact of war restrictions and inflationary conditions were discussed. A majority of the five-man panel also reported that the recent Office of Price Administration restriction on evictions had not yet had any effect on real estate sales, while a minority of the panel traced to it a definite fall-off in the purchase of older properties.

Members of the panel were John F. Scott, St. Paul, Minn.; Ralph H. Cake, Portland, Ore.; George B. Campbell, San Jose, Cal.; Raymond P. Harold, Worcester, Mass.; and Fred Zuck, Sandusky, O. Moderator was Ralph H. Richards, Pittsburgh, President of the Federal Home Loan Bank of the third district. Mr. Scott suggested that mortgage lenders are still living in a "peacetime hangover," and that today they do not even dream of restrictions and regulations which will be placed on activities six months from now. Mr. Cake insisted, however, that the associations had lived through times before as dark as the present and that the situation would merely put managers on their mettle to keep up their mortgage lending business.

The ease with which prospective owners of homes can accumulate a down payment of sufficient amount to merit a loan, using their swollen incomes from war industries, was cited by Mr. Campbell, who said that by and large the real estate market still seems to be brisk.

Lending on well-built older homes, which are in a good state of repair was advocated by Mr. Harold who said that in his experience people who buy a home they like are not on the moving van every few years. "Care in analyzing the loan at the time it is made is still the best way to prevent lending on obsolete values and properties which are going to take an awful beating when the new housing of the post-war era begins to be constructed" he pointed out.

"The long-term amortized home loan has proved to be one of the world's best investments and we have to work harder and be more effective in holding the field than in our previous experience," he contended. The ability "to come down nights and straighten things out in order to help a real estate broker" was pointed out as the secret of staying in the mortgage lending business today by Mr. Zuck.

Savs. & Loan Mtg. Financing Decreases As War Cuts Building

Home mortgage financing by savings and loan associations during the first nine months of this year amounted to $814,222,000—a drop of 22% and 10% from the similar periods in 1941 and 1940, the Federal Home Loan Bank Administration reported on Nov. 14. The 1941-1942 decline was greatest in the two western-most Federal Home Loan Bank districts and least in the districts comprising Pennsylvania, West Virginia and Delaware.

The Administration's announcement added:

"However, the 1942 lending activity of America's thrift and home financing institutions remained well above the total for 1939, up to then the peak figure since the depression of the early 'thirties.

"The steady decline in loans for new home construction, which began in the summer of 1941, pushed the total of such loans for the first three quarters of 1942 down to less than one-half of the 1941 record — $162,119,000 as against $338,950,000. Loans for reconditioning and miscellaneous purposes decreased about one-fourth while the total of lending to refinance old mortgages moved downward by only one-seventh.

"Evidence of the continued market for used houses in many areas was the fact that loans to finance the purchase of existing structures remained practically unchanged over these periods.

"During September, savings and loan associations made loans totalling $94,055,000, a 28% decline from September 1941, but a 2% rise over August. Loans for the purchase of homes increased 5% from August, to an aggregate of $58,060,000, which is next to the highest monthly total in this category since depression years. Construction loans for September totalled $12,449,000, as compared with $40,782,000 in the same month of 1941."

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Bodfish Says Financial Institutions Must Be Able To See Need For Changes

Financial institutions which get stabilized, smug and unable to see the need for changes are precursors to crashes in the financial system, Morton Bodfish, Executive Vice-President of the United States Savings and Loan League, told the war conference on housing and savings, of the League at its opening session on Nov. 16. He said that financial institutions are now in one of those eras in which their character and their opportunities will be determined by whether or not the management is willing to do the audacious, bold and imaginative thing.

Morton Bodfish

Reviewing the position of the savings and loan business after 11 months of war, Mr. Bodfish said that money is flowing into the institutions at better than the pre-war rate, that they can still do a good volume of lending, that reserves are now around 8% of total liabilities, and that they now hold about $200,000,000 in government bonds. Mr. Bodfish pointed out that:

"We have our opportunity to build our institutions back to the $10,000,000,000 position they held before the depression and to help stem the tide of inflation by investing in government bonds those funds which are not needed in the home mortgage field. We will probably add about $250,000,000 in government bonds to our portfolios in the next 12 months. Our resources are at the disposal of our country."

"We have taken on the biggest job any nation has ever taken on in history, and we are just beginning to do it," he said, commenting on the war picture.

Mr. Bodfish emphasized the inability of public law alone and public officials alone to create the management capacity which will take a financial institution through a time of crisis. He said that the heavy hand of government control, regimentation and bureaucracy has not yet captured the savings and loan institutions and that they are more independent and self-sufficient than most other financial institutions today, preserving the attributes of private enterprise in a measure of which they should be proud.

Speaking of the Federal Home Loan Bank System, the reserve institution of the savings and loan associations, Mr. Bodfish said that it is the most treasured common possession of these associations today. He paid special tribute to the particular Home Loan Banks which have directed their policy substantially toward strengthening their liquidity.

Acceptance Of Maximum Rent Principle Held Essential To Preserve Economic Stability

Paul Porter, Deputy Administrator of the Office of Price Administration, told the United States Savings and Loan League war conference that the OPA knows that "the overwhelming majority of landlords have accepted regulations as necessary for the war emergency, and have gone out of their way not only to obey the letter of the maximum rent regulations but the spirit as well."

He said that "when specific amendments were made to plug up loopholes, they were really protecting those landlords who from the very beginning have wholeheartedly supported rent control."

Mr. Porter also told the conference that "Action taken by the Office of Price Administration—in the fields of rents and construction, repair and maintenance materials—has certainly affected some stabilization of real estate values." He went on to say:

"The importance of such stability is obvious to this group. Inflation of real estate values, in so far as historical experience is a guide, means eventual deflation. You needn't search far back in the history of your own experience. The real estate collapse of the early 30's and the subsequent hangover are not easily forgotten. The acquisition of properties through default of contractual obligation, the slump in the value of assets and the long uphill struggle for a partial recapture of inflated book values are events which none of us wish repeated.

"Yet the problem of avoiding that post-war sequence is not easy of solution in a rising market. Increasing construction costs and skyrocketing rents of unpredictable duration confounds management in its attempt to use business judgment. The determination of true appraisals and appropriate loan ratios is not a simple matter under such circumstances."

"The Office of Price Administration acted to prevent a repetition of the building material price spiral in World War 1, and was perhaps most successful in stabilizing the prices of steel and cement," Mr. Porter said. "In the case of steel, a savings of $200,000,000 was effected in 1941, with the prospect of $20,000,000,000 to be saved in 1942 and 1943—a considerable contribution toward the reduction of the total war bill." He likewise said:

"Lumber prices were somewhat more difficult to control. Numerous and scattered lumber producers responded quickly to the increased pressure of demand—they responded to the tune of a 40% increase over September, 1939, when defense activities were instituted."

* * *

"In general the problems of the control of building material prices are decreasing as quickly as new maximum price regulations which spell out for each industry the meaning of the general maximum price regulation of May, 1942, are issued. In the case of lumber over 95% of the softwoods and 90% of the hardwoods have been brought under specified price regulations. Only two weeks ago a particularly difficult problem was solved we hope by the issuance of a regulation specifically directed to contractors, builders, installers and erectors using building materials in construction, maintenance, service and sales. The field covered by the regulation is so broad as to extend from the repair of a leak in the roof to the construction of a great project like Boulder Dam. To insure the effectiveness of the regulations it was required that contractors furnish to their customers statements which certify their compliance."

Mr. Porter further said:

"In my own particular field—in rent control—the going has not been easy. But not so rough as to prevent us from bringing rents under control when inflationary increases warrant such action. As of Dec. 1, rent control will be in effect in more than 350 areas, covering a population of about 75,000,000 persons. The national index of rents has been reduced and stabilized in general at the levels ordered in the maximum rent regulations, and we hope to be able to maintain rents on an even keel for the duration of the national emergency.

"We've set up policies and an administrative machinery which promises to help achieve that goal. Perhaps the single policy which has gone the longest way toward making the program workable, (Congress) has been the acceptance of the maximum rent date principle. We may have differed as to a particular date chosen as the freeze date for a given area, but the principle of the freeze date method as the fairest and most equitable method for the administration of rent control has not been called into question by serious critics. It has proven itself to be administratively feasible. Moreover, our records show that the use of the freeze date principle has not resulted in a hard and inflexible freezing of rents in areas where Federal control has been instituted. There was no such intention. We always recognized that there were certain types of rent cases which required adjustment — units of new construction, units in which there had been a change in services, units in which there had been major capital improvements or a conversion—and those adjustments have been and are being made. Our records show that approximately 8% of all dwellings under control had their rent fixed not in accordance with the freeze date but by other provisions of the maximum rent regulations. Some individual instances may yet be changed by administrative determination, but in general our reports show that this percentage probably will remain fairly typical."

Treasury Must Rely On Banks As Major Buyers Of Its Offerings, Savings-Loan League Told

The Treasury must still rely on the banks as the major purchasers of its security offerings, according to Montfort Jones, Professor of Finance, University of Pittsburgh, in an address before the United States Savings and Loan League war conference at Chicago. The Treasury is not going to borrow blindly from the banks, just because it is easier that way and the interest is probably lower, but such borrowing is a practical necessity, Mr. Jones pointed out. He said:

"It is now estimated that during the current fiscal year the Treasury will borrow some $60,000,000,000 and that probably half of this amount will be obtained by selling securities of various types to the commercial banking system. A war of this magnitude can not be financed out of current or accumulated savings. Such recourse to the banks for funds as has been witnessed in recent weeks constitutes an inflationary factor of major importance.

"It is well known in advance that reliance on the banks for so much of the credit will put a strain on our credit mechanism and exert an inflationary pressure on prices. Bank reserves will have to be increased to enable the banks to participate fully in the Treasury program. The banks now know what is expected of them and that reserves for the purpose will be forthcoming.

"The interior banks still hold a considerable amount of excess reserves and a general reduction in reserve requirements is not likely until a substantial part of these excess reserves has been invested in government securities.

"During the last war the banks borrowed heavily from the Federal Reserve Banks and it is quite generally expected that this practice will again play an important role in war finance."

He predicted that banks will be offered by the government the types of securities which are suited to their requirements. "Deposits and holdings of government securities will grow to tremendous proportions but a high degree of liquidity will be maintained in the banking system."

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Calendar of New Security Flotations

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern War Time as per rule 930(b).

Offerings will rarely be made before the day following.

THURSDAY, DEC. 3

CURTISS CANDY CO.

Curtiss Candy Co. has filed registration statement with the SEC covering 30,000 shares of participating preferred stock, par value $100

Address—622 Diversey Parkway, Chicago

Business—Company is one of the largest and leading candy and confection manufacturers in the United States

Offering—Registrant proposes to offer the participating preferred shares registered, at $100 per share. The entire amount of the consideration received shall be credited to capital account. It is not proposed to pay any commissions or underwriting fees with respect to the sale of the stock. Approximate date of proposed public offering Nov. 25, 1942

Underwriting—There is no commitment of any kind with respect to the sale or underwriting of the securities registered

Proceeds—Will be used principally in the acquisition of similar types of business $700,000; additional farm lands $750,000; trucks $100,000; raw commodities for purpose of stabilizing inventory $250,000; to provide funds for payments under pension and profit-sharing plans for its employees $900,000; in reduction of indebtedness on farm properties $200,000, and for additional working capital $75,700

Registration Statement No. 2-5059. Form A-2. (11-14-42)

SATURDAY, DEC. 5

MUTUAL INCOME FOUNDATION, INC.

Mutual Income Foundation, Inc., has filed a registration statement with the SEC for 200 fully paid certificates of ownership at $500 each, 150 periodic payment certificates of ownership at $1,000 each, total 350 certificates; 150,803 shares of beneficial interests to be issued under periodic payment certificates of ownership now outstanding; 36,938 shares to be issued under the certificates of ownership to be sold, total 187,741 shares. Aggregate offering price, $1,218,158

Address—1308 Penobscot Building, Detroit, Mich.

Business—Investment trust.

Offering—Continuous public offering is proposed from and after the effective date of registration statement

Proceeds—For investment

Registration Statement No. 2-5060. Form C-1. (11-16-42)

TUESDAY, DEC. 8

AMPAL-AMERICAN PALESTINE TRADING CORP.

Ampal-American Palestine Trading Corp. has filed a registration statement with the SEC for 182,000 shares 4% preferred, cumulative non-voting stock, par value $5 per share

Address—1440 Broadway, New York City

Business—The corporation was organized for the purpose of developing trade relations between the United States and Palestine and its surrounding territories; to assist in the development of the economic resources of Palestine and to afford financial aid to commercial, banking, credit, industrial and agricultural enterprises, cooperative and otherwise, in and relating to Palestine. Company was organized Feb. 6, 1942, in New York.

Underwriting—There are no underwriters. The securities will be sold through the efforts of the directors and employees of the issuer

Offering—The offering price to the public will be $5.50 per share, for a total of $1,001,000. Date of proposed public offering is Dec. 1, 1942

Proceeds—A number of schemes for investment by the corporation of the proceeds of this issue have been considered by its directors. No final decisions have been reached, and no commitments have been made, except that, in a general way, and subject to re-examination, the directors believe that the corporation could with profit to itself and with substantial benefit to the economic organization of Palestine, make investments for the purposes indicated in its organization

Registration Statement No. 2-5061. Form A-1. (11-19-42)

WEDNESDAY, DEC. 9

LOCKHEED AIRCRAFT CORP.

Lockheed Aircraft Corp. has filed a registration statement with the SEC covering participations in employees' retirement income plan. Statement says number of certificates for which registration statement is filed is uncertain. All participations during the first year after effective date of the plan. Aggregate offering price is given as $174,000, being estimated amount of employee contributions during first year of plan

Address—1705 Victory Place, Burbank, California

Business—Participations in the retirement income plan of Lockheed Aircraft Corp. and subsidiaries

Underwriting—No underwriters

Offering—The effective date of the plan will be Dec. 31, 1942. The plan is to be administered by a retirement plan committee, to be appointed by the boards of directors of the company and its subsidiaries. It is expected that this committee will be initially composed of five individuals, of whom a majority will be employees of the corporations. Participation in the plan is optional with each eligible employee. It is estimated that approximately 2,250 employees of the company and its subsidiaries, including 13 officers and 10 directors, will be eligible as of Dec. 31, 1942, to join the plan.

Proceeds—Indenture provides that funds received by the trustees may be applied toward the purchase of or payment of premiums upon annuity contracts, etc. Pending such application, funds may be held in cash or invested in securities of the United States Government, in other securities, but not securities issued by Lockheed or any of its subsidiaries

Registration Statement No 2-5062. Form C1. (11-20-42)

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

P. L. ANDREWS CORP.

P. L. Andrews Corp. has filed a registration statement with the SEC for $360,000 first mortgage convertible 5½% bonds, series A, maturing serially from 1943 to 1957.

Address—7800 Cooper Ave., Glendale, New York, N. Y.

Business—General character of the business done by the corporation is the design, development, manufacture and sale of paper packaging and wrapping materials in a variety of forms of envelopes, folders, wrappers, folding boxes and containers. Primarily because of the nature of the plant and products of the corporation, it is anticipated that the war or conditions arising therefrom will not alter substantially the general character of the business or products of the corporation

Underwriting—No firm commitment has been made to take any of the securities registered, but P. W. Brooks & Co., Inc., New York City, is the principal underwriter, as defined in the Securities Act of 1933

Offering—The securities will be offered at prices ranging from 99½ to 102¼ depending upon maturity date

Proceeds—Net proceeds will be used to discharge a proposed demand bank loan, to reimburse the corporation for machinery acquired and balance for such additional production facilities as are needed.

Registration Statement No. 2-5058. Form A-2 (10-28-42)

Request for withdrawal of specified material filed Nov. 18, 1942

Amendment filed Nov. 12, 1942, to defer effective date

(This list is incompletely this week)

Tomorrow's Markets Walter Whyte Says—

(Continued from page 1876)

Yet, despite the general cheerfulness, this column persisted in remaining aloof. It even disregarded the news and became more persistent in its profit acceptance advice.

* * *

Then came the news of our sensational naval victory in the South Pacific following close on the heels of the news of the rout of the Rommel forces. The market went up again. But again I didn't think its action warranted new buying. Then came the surprising news.

* * *

We had made a successful landing on the North African Coast. The news came on a week end when markets were closed, but on the first day the market was able to reflect this latest development, it opened strong but spent the rest of the day just backing and filling. For some strange reason this backing and filling began to be accepted as indicative that the war was nearing its end. War stocks were to be sold and peace stocks were now the babies to be given a home.

* * *

All this talk meant little to me. But I did give the market closer attention. I was thrilled by the news as much as anybody, but I wondered why the market took it so coldly. For not only did it refuse to go up but actually began to sag. As this is being written its off about 3 points (114) from the highs.

* * *

I know I had forecast that a reaction which would carry the averages down to about 110 was in the wind. But I don't live in such an ivory tower that I could disregard all news. Certainly I never foresaw the naval victory in the Pacific or the opening of our offensive in North Africa. And any forecast made to market action was based entirely on market action. Yet here was news that could easily change the whole picture. It was reasonable to suppose that the market would act much better on such news than it had. But we know it didn't.

* * *

Tax selling, of course, accounts for part of its poor action.

* * *

But to get back to the present market, which is now down from the recent highs. I don't think its action (at present) calls for a wide open break. For despite the conflicting tides involving political deals there is a certain something in the market itself that seems to indicate an early cessation of the current decline and a renewal of uptrend. As a matter of fact I would not be surprised if 112 (instead of 110) would mark off the near term low.

* * *

More next Thursday.

—Walter Whyte

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

UP-TOWN AFTER 3

PLAY

"The Skin of Our Teeth," by Thornton Wilder. Presented by Michael Meyerberg at the Plymouth Theatre, N. Y. Tallulah Bankhead, Frederic March, Florence Eldridge and a cast of forty. Directed by Elia Kazan. Settings by Albert Johnson.

Here is a different, though a good play which, if written by an unknown playwright, probably would never have seen a production schedule. For it's so different from the conventional Broadway play that it ranks as an experiment. And experiments are things Broadway producers don't want any part of. "Skin of Our Teeth" is a strange combination of Saroyan, Disney and Olsen & Johnson, through which gleams a philosophy that man through the ages has survived everything and has come up on top. The play may be confusing but it's never dull. For with people dashing from the audience to the stage and from the stage to the audience and with the stage manager rushing out pleading with Miss Bankhead to proceed with her lines, it keeps the audience in an uproar which, if it doesn't make for clarity, certainly never permits of ennui. George and Margaret Antrobus, their two children and their maid, Sabina, live in Excelsior, N. J., in a cottage full of pre-iceage flora and fauna. George comes home from the office full of new discoveries, the wheel, the multiplication table and the alphabet, but has to stop as the ice cap congeals everything. Five thousand years later the Antrobus family is in Atlantic City to watch George's installation as President of a fraternal order. This time Sabina is the beauty contest winner. George, fed up with Margaret's henpecking, is only too willing to forget his vows and run off with Sabina. Just then the flood overtakes this Sodom and Gomarrah, George forgets Sabina and takes his wife and family to the Ark. We next find the family—minus George, he's away fighting the war—cowering in a bomb shelter. Sabina arrives with the news that the war is over, George is coming home but that their son, Henry, a sadistic lad, is the enemy. He is Cain who slew Abel. He is Adolf Hitler. He is the enemy. To clarify the story any further is beyond me. A program note explains "The Antrobuses have survived fire, flood . . . seven-year locusts, ice age, the double feature, wars and depressions. . . . They are as durable as radiators and look upon the future with disarming optimism. They are the true offsprings of Adam and Eve, victims of all the ills flesh is heir to." Through all the improbable scenes Tallulah Bankhead as Sabina flounces through giving notice one moment or stepping out of character the next, explaining to the audience her mystification of what the whole thing is about, or refusing to play a scene because of a friend out front whose feelings might be hurt. As the eternal wanton, Miss Bankhead has a field day. Her observations on life in general and the play in particular keeps the audience screaming with laughter. Frederic March, as Eternal Man, plays the role as if it were made for him. Florence Eldridge, as Woman who fights to keep the home and its institutions, is perfect. You may not like the play but you'll find plenty meat to chew and re-chew in it.

AROUND THE TOWN

More details about **Cafe Life (152 E. 55th)**: Owned by Oscar Schimerman, who dates back to Rector's and the old Holland House. From a white-painted exterior you enter a room, walls of which are covered with grey plush, which must be seen to be believed. Looks like a soft bed standing on end. Entertainment headed by comic Don Tannen (really funny), Leonard Ware Trio (grand steel guitar virtuosos), Una Mae Carlisle (sings, plays the piano and writes much of her own music — and good). Food is excellent and capably served. It's a smart spot which stays open late. But come well heeled. Place is not inexpensive.

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Halsey, Stuart Group Offers Chicago Issue

Halsey, Stuart & Co., Inc., is heading a banking group which is currently offering $2,500,000 Chicago Sanitary District 2% series F refunding bonds of 1943. The bonds are dated Jan. 1, 1943, are due Jan. 1, 1963, and are optional at par and accrued interest as follows: $125,000 on Jan. 1 of each of the years 1944 to 1962, or on any interest payment dates thereafter. The bonds are being offered at prices ranging from 0.80% to 2%, according to the optional maturity date.

In the opinion of counsel, these bonds will constitute valid and legally binding obligations of the Sanitary District of Chicago payable from ad valorem taxes to be levied upon all the taxable property therein without limitation as to rate or amount.

The Sanitary District includes the City of Chicago and 59 other incorporated cities and towns in Cook County. It covers an area of 442 square miles, or 47% of the area of Cook County.

Associated in the offering are Central Republic Co., Phelps, Fenn & Co., Mullaney, Ross & Co., Otis & Co., Inc., Miller, Kenower & Co., Inc., and Stranahan, Harris & Co., Inc.

Kansas City Bond Men Elect New Officers

KANSAS CITY, MO.—At the annual meeting of the Bond Traders Club of Kansas City, the following officers were elected for 1942-1943:

President, Leonard A. White, Wahler, White & Co.

Vice-President, Edward L. Meyer, Harris, Upham & Co.

Secretary, Eldridge Robinson, Baum, Bernheimer Co.

Treasurer, Arthur I. Webster, E. W. Price & Co.

Urged To Cut Travel

The Office of Defense Transportation has requested the public at large not to travel over the Christmas and New Year holiday season unless it is war business. A spokesman for the ODT has said that it will take "practically everything on wheels" to handle the country's holiday bus and train travel, but the Government does not intend to put priority restrictions on passenger space.

ODT Director Joseph B. Eastman has recommended that Federal departments and agencies cancel all leaves between Dec. 18 and Jan. 10 if the leave would involve bus or rail travel.

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HOW DID WE GET THIS WAY?

(Continued from first page)

all evidence found in the rise of society from its primitive family configuration and presupposes that an ochlocracy is the highest form of social life. As a political movement it follows the common receipt of fusing lofty sentiments and low passions; of blending the disparate elements of justice, mercy, envy, hate, fear, greed and pleasure which, being common to all, possess the power of self-propagation because human beings are never consistent in reconciling the motives that direct their ferment of impulses and because no belief has ever succeeded in making them different from what they are.

Philosophical socialists of the better grade, like Kropotkin, Thomas and Spargo, are mystics wandering in the labyrinth of their inhibitions and fixations; tangled in their incomprehensions; lost in the penumbra of the practical. They love man so much in the abstract that they cannot understand him in the concrete. Their proposals, in which two unreasons make a rational, are without relevance to the realities of life. They lack mental perseverance and excel in monumental simplicity. In them the critical faculty has been anesthetized by the compulsion of proving a previously accepted conclusion. Their sincerity, which is only equalled by their ingenuity, is dangerous because of their unreasoning confidence in the accuracy of their diagnosis of social ills. They are hobbledehoys playing Robin Hood, with their own technique of befuddlement, happy in their hallucinations. They are not sociologists but social reformers in the dilettante sense; moral imperialists in the guise of pious pundits.

There are two main types of mind; the scientific which is satisfied only with logically arranged facts and the informal which finds in socialism an escape mechanism. Possessors of the latter type, confident of the benign intentions of a dialectic world, neglect to consider that intelligence is man's only weapon against a hostile nature and that their starting point should be the removal of the pressure of population on subsistence. Otherwise their changes will be etymological and not economic and their reforms only reversions to tribal life-forms. They indulge in mystic sophistics and forget that there are widely differing patterns of volition and behavior.

Capitalism says—"I ask nothing for myself that I am not willing to see everybody else have." Socialism in its popular sense means—"I am not willing that anyone should have more than I have."

A societal organization founded upon the belief that the mistakes of any man should be shared jointly by his fellows will produce only a catastrophe. It is an illusion attempting to destroy reality; the capitulation of reason to delusion; the metamorphosis of an abstraction into a political argument.

When men are taught to assume that their mere physical existence entitles them to an equal participation in the common heritage, they are in the process of ruining themselves through the destruction of the processes which make their very existence possible. They resemble children prattling their way to tragedy behind the Pied Piper of Hamlin, pathetic in their credulity.

The evils which mar and deform our civilization, the imperfections of which are intentionally overstressed, are not primarily the result of the exploitation of men by men. Life is determined by more important factors. The theory is farfetched sophistry of the most specious kind; an effort to explain phenomena by the observation of a single and insignificant cause, a method for which polygramatic reformers have a strange predilection. It is an easy theory to believe because it is what most of us want to believe. It relieves us from the responsibility of our failures. It removes from our shoulders the stigma of our defeat in the race of life and this is what constitutes its fascination.

It is an easy theory to advance because it is politically expedient and expediency is the major requirement of political success. The scape-goat is an ancient institution. It is a psychological necessity for most of us because our ego seems to need a protective coloration. The doctrine of parasitism is readily accepted because it satisfies this neurosis. Plausibility is attractive even though incompatible with the timeless ingredients of life. Human minds will accept any convenient notion that happens to be presented without testing it by comparison with reality, particularly when it supports subjective convictions already formed and is expressed in word pictures stippled with lures. The faculty for self-deception is highly developed in most of us. We are nearly all experts at rationalization; so busy finding excuses for our short-comings that we have no time to eradicate them. The characteristic has a biological basis.

Failure is the result of the abuse of the individual by himself; of flaws in character and capacity; of stubborn refusal to use the facilities for improvement; of insistence upon present pleasure at the expense of future comfort. The forces that determine human action are always the same but the form that action takes varies with the personality. Men demand and do the things which weaken them and then resent their weakness. They get caught in traps of their own setting and blame society for their bruises.

To what extent luck or accident contributes to a man's destiny is an imponderable. The stories concerning them are apocryphal. The question can no more be answered than can the question of the eternal "why" as asked by Adam via Milton in the query—"how came I here, how thus?" One thing is certain. Luck might defeat intelligence and diligence but it can never take their place. Success is not fortuitous, nor is it the result of reflex action. It is a personal equation and belongs to the domain of the will. It is not the unpredictable that wins but the constant exercise of judgment. The servant of chance is never the master of opportunity. The certainties of life are few; the probabilities many; the possibilities infinite in number.

One great handicap to economic and political clear-thinking is the belief that because things "are" they always "were"; that progress has been the result of spontaneous generation rather than of the toil of men stimulated by the degree of the reward.

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Our Reporter's Report

(Continued from first page)

they must have additional equipment, if they are to sustain the heavy burden which the war has thrust upon them, it is only reasonable to expect that the rush to get such rolling stock will be heavy.

Railroads, of course, are quite heavy in cash at the moment and could perhaps elect to pay outright for the equipment they may obtain. But since the cost of borrowing on the basis of equipment trust certificates is relatively light they could reasonably be expected to apply cash balances toward retirement of some of their more costly obligations.

Bethlehem Steel 6s

Bethlehem Steel Corporation has made an offer to holders of Bethlehem Steel Company purchase money mortgage 6% bonds, due to mature in 1998, offering to buy in the issue on the basis of $181 for each $100 face amount outstanding.

Although not a huge transaction—there is only a total of $7,500,000 outstanding — the bonds are non-callable and are among the highest premium issues in the market at the moment, having been bid for close to the fixed price in trading on the New York Curb Exchange.

This transaction is interesting since the bonds are an underlying issue and date back to the days when the "Titans" of steel, such as Andrew Carnegie, were in their heyday. The issue was created in 1901 and given in exchange for the capital stock of the Bethlehem Iron Co.

Like Idea of Competition

With Secretary Morgenthau getting ready to fire the starting gun in the Treasury's biggest financing undertaking all signs point to the most aggressive bond selling campaign which the country has ever seen.

All hands are ready to turn to, including bankers, that is the commercial banks, investment bankers and the special Victory Loan Committees around the country. And with $9,000,000,000 of securities as the nation's goal they are destined for a busy time.

Banks are said to look with favor upon the dash of real competition which looms through the medium of "team line-ups" in the undertaking.

Philadelphia Refinancing

The Bureau of Municipal Research, Philadelphia, has thrown itself fully behind the city's drive to refinance $162,296,000 of its outstanding debt.

In a booklet gotten up in connection with the undertaking it notes the advantages to the city and to the bondholder alike in making the undertaking a success.

The group lays particular stress on the tax-exempt feature of the new bonds which may not attach to some future issues and to the relative market position of the new and old loans.

Attractive Outlook

The earnings outlook for the 40 Wall Street Building, Incorporated, is particularly attractive at the present time, according to an analysis issued by Seligman, Lubetkin & Co., Inc., 41 Broad Street, New York City. Copies may be had from Seligman, Lubetkin & Co. upon request.

Good Return Plus Safety From Insured Investment

The Oak Park Federal Savings & Loan Association, 104 North Marion Street, Oak Park, Ill., will be pleased to send upon request a booklet giving full details on the desirability of insured Federal Savings & Loan investments.

Carrere Co. To Admit

William F. Andrews will shortly be admitted to partnership in Carrere & Co., 65 Broadway, New York City, members of the New York Stock Exchange and will act as alternate on the floor of the Exchange for William F. Andrews, the firm's Exchange member.

G. A. Ellis Dies

George A. Ellis, one of the founders of E. F. Hutton & Co., New York City investment firm, died at his home following a heart attack. Mr. Ellis retired from partnership in E. F. Hutton & Co. in February, 1941.

Final Edition THURSDAY In 2 Sections – Section 2

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Forecasts Money And Credit Rationing; Declares Banks Must Adapt To War Conditions

Asserting that "banking-as-usual, like business-as-usual, must now be a thing of the past," Preston Delano, Comptroller of the Currency, in addressing the National Association of Supervisors of State Banks in Philadelphia on Nov. 17, added that "adaptation to the conditions imposed by war is a price of survival." In his remarks Mr. Delano referred to the fact that "wartime necessity is destroying the familiar pattern of peacetime," noting that "at this moment in the Albany-Troy area of New York we have a novel and dramatic example of the banker's increased wartime function." Continuing, he said:

"Under the supervision of the Office of Price Administration, Albany and Troy banks are handling rationing accounts of goods and commodities as well as the usual money and credit. Shortly the lessons learned from this experiment will be utilized to devise a nation-wide rationing system involving all the banks of the country. This is but one more result of the impact of total war upon our financial system.

"As has been said before, these dislocations in our economic life are costly and burdensome, but they are infinitely less costly and less burdensome than those which would be imposed by defeat. The decent forces of mankind are challenged by a philosophy of force which treats with scorn every hope of a better world. We can all enlist in this cause for our quarrel is just."

"A major problem of war finance," said Mr. Delano, "is to prevent people from wasting their money in a fruitless attempt to obtain goods and services they can not have. What the government needs to conduct the war, it is going to get; and what civilians do not need, they should not try to get.

"They will," he said, "be tempted to employ their swollen incomes, to be sure, in an effort to obtain unnecessary goods and services. But this will not increase the amount of goods and services available for purchase; it will increase only the prices they must pay for a definitely restricted quantity of the same goods and services. Money, in short, is not the all-powerful instrument in wartime that it is in peace. In peacetime, it gave command over goods and services; in wartime, it gives command over neither goods nor services. It commands only prices." He further said:

"Wise fiscal policy, therefore, attempts to reduce to a minimum the harm that money and credit can do under wartime pressures. If one-half of all the things we produce will be devoted to war, then one-half of the money that the American people will earn

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FROM WASHINGTON AHEAD OF THE NEWS

By CARLISLE BARGERON

Well, inasmuch as we have won the Second World War, naturally there comes up the question of how we are to divide Second World Peace. It is an awful thing to contemplate while the boys are still out in the Solomons and have just moved in on North Africa. But it must be borne in mind that our Advanced Thinkers are always an episode ahead. It is something that the boys in the Solomons and the boys in North Africa wouldn't appreciate, no more than they did the YMCA boys in the last war, but if they don't understand the Advanced Planning that is going ahead of them, well, that's just the way of soldiers.

We Advanced Thinkers must get along with our stuff. With a view to getting along with our stuff we had a talk the other day with **Sir Wilmott Lewis.** Sir Wilmott has been long in this country and for long he has dominated the Washington correspondents' corps. Sir Wilmott is a Britisher who started out in life by playing Hamlet to London audiences without any great reception. Lacking a success in that field he wandered off to the Far East and it came about that he represented Bennett's New York "Herald" in the first Chino-Japanese war. The story of Bill Lewis is somewhat obscure in those days, but to get on with the story, when this writer arrived in Washington, Bill was the correspondent of the "London Times," and had married a very wealthy American girl.

It was about this time that the British Government thought he rated a title and he became Sir Wilmott. Thereafter Sir Wilmott, thus endowed, went all over the country making speeches about Anglo-American affairs, and although no one of his audiences could ever understand him because of his deep British accent, it was a lot of clean fun. A coffee manufacturer thought once that Bill would be an awful good spot on the radio but dropped it because none of this sponsor's coffee drinkers could tell what Bill was saying.

Nevertheless, Bill was a legend in those days. The British sent one ambassador after another over here, and the Washington correspondents would say, of one accord, that he didn't amount to a tinker's dam, because Bill Lewis was the real ambassador from Britain.

We've gone to this extent telling about Bill, notwithstanding we've never understood a word he said, because there have been magazine stories written about him—and also, Bill or Sir Wilmott is now worried. In the way in which Sir Wilmott has always had of easing up to a table of journalists and giving his ideas of the world, he eased up to our table recently and said:

You've got to bear in mind that he said this in his usual deep guttural voice, which has given him unusual standing in the Washington midst, to say nothing of those business groups which he has addressed for a fee out in the country. Well, anyhow, Sir Wilmott said:

"The Washington newspapermen are not writing the proper story."

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THE FINANCIAL SITUATION

The very considerable attention given to post-war problems by several of the speakers at the Forum conducted last week by the New York "Herald Tribune" at precisely the time that some of the "political" difficulties inherent in our North African campaign were being widely aired, should bring forcibly to the attention of the American people certain aspects of the post-war planning and discussion which are now taking place, and which need more realistic study than they are receiving in many quarters. That the American people can not afford to delay consideration of these questions until after hostilities cease to divert their attention was made clearer and more definite by the pointed suggestion of Undersecretary of State Sumner Welles (which we must assume was known in advance and approved by the President) that international agreements to govern the post-war situation be reached at least in broad outline now rather than after an armistice has been signed.

Post-War Dreams

Post-war planning in the international scene appears to be much less advanced than in the domestic field, so far as Washington authorities are concerned — or else a much greater measure of caution is exercised in giving them public expression—but enough has been indicated of the general trend of official thought to cause very considerable uneasiness among thoughtful observers. So far as the comments of last week are concerned, some cause for encouragement appeared at points. Sir Stafford Cripps, a brilliant but erratic and often unpredictable figure in the British scene, revealed a comforting understanding of the Utopian nature of some of the proposals which have been coming forth thick and fast from various sources, particularly in this country. "It is better," he warns the visionaries, "to do a little thoroughly and with success than to fail ambitiously." He then adds more specifically that "to set out to build a world-wide economic federation of all nations would indeed be a glorious objective, provided we realize it is unattainable now and that it will probably remain so perhaps for generations." Sumner Welles, too, won the gratitude of many thoughtful students of international affairs when he dashed cold water upon the enthusiasts who assert by implication, if not expressly, that "the United States must assume the burdens of the entire globe, must see to it that the standards in which we ourselves believe must imme-

(Continued on page 1891)

Real Americanism

The only way to service the vast debt we are now creating and to measure up to the possibilities of the post-war challenge is to produce wealth on a scale never before envisaged; to produce it at low costs, and to accomplish an abundance and a variety which will call out our total energies and our finest creative powers.

In order to do this production must be profitable. The theory that you can generate wealth, peace or prosperity by the lavish expenditure of money is utterly false. When production is genuinely profitable, there is something to tax, there is something to save, and there is the stimulation of investment, which is one of the basic essentials in a dynamic society.

I cast my lot with those who believe in the American way of life; who are unwilling to see it compromised; who know its potentials for good, and who believe that we can now enter upon the greatest period of constructive building which the world has ever known.—Henry J. Kaiser.

We hope Mr. Kaiser's record as a master of production will lend added emphasis and influence to this clarion call of real Americanism.

Editorial—

Insurance Dabbles In Tax-Reform

By W. C. BETTS

A fortnight ago, we stated that the stock capital companies doing a casualty insurance business, and chafing under the inroads into their income made by their rivals, the mutual companies, had recently started something unusual in the legislative corridors of Washington. And we expressed concern lest the sword-bearers of the casualty business might be hurting themselves worse than their opponents. Details have now come to hand which make it useful to look further into the matter. We do so primarily because our readers are interested to a high degree in the present and future of insurance stocks, as investments.

When we say that the casualty companies "started something unusual" it is because, as far as we know, it is an innovation in the strategy of business competition to ask legislators to impose Federal taxes on your rivals, presumably to confuse or discomfit them.

Probably, instances of the opposite procedure could be cited. Appeals to law-makers for relief from taxation, on the plea that rival interests were going scot-free, can be understood. But to act per contra is so suggestive of playing with high explosives, that one is amazed to learn it has happened. All the more astounding is it to find such action taken by a business body securing some 85% of the income presently derivable in its particular field.

While it is true that the income of the stock casualty insurance companies has been menaced constantly, the profit on such income has not been shrinking grievously. In fact, the stockholders have been receiving steady and handsome dividends, especially in recent years. So true is this that one can not readily imagine that, if these shareholders were consulted on the expediency of combating business opponents by discussing their payments of taxes with Government officials, they would want to countenance such action. For, shareholders possess a leporine shyness of discussions of any taxation on income.

The more one looks into the modus operandi of this recent legislative endeavor, the more one's amazement grows. The assistant general manager of the Association of Casualty and Surety Executives presented the "case" for the capital stock companies, with the assistance of "tax counsel of a number of the member companies." To arrive with an array of such talent before the Finance Committee of the Senate, and the Ways and Means Committee of the House of Representatives in itself sets these chambers agog. But to do so merely to ask that a group of competitors be taxed in the same fashion as you are yourself, looks either overly nefarious, or like using a five-ton truck to do a wheelbarrow job.

The retiring President of the Association of Casualty and Surety Executives, evidently wishing that the designs of his Association should not be misconstrued, explained that his cooperating tax counselors were not to urge anything more than "fair play as between companies which are on an equal competitive basis"; merely "equal treatment" all round; in all "fairness," Congress was to do unto others only what Congress was already doing to the petitioners.

So the assistant manager and his retinue of advocates and pleaders set to work in Washington, and obviously, the legislators were not slow in striking oil, or rather digging up interesting figures. To convey our meaning succinctly, let us digress and quote from an outstanding authority on such statistics[*].

The Federal taxes paid in 1941, by 195 stock fire insurance companies with an aggregate net premium income of $946,350,000, averaged 66 cents per $100 of net premium income. The stock casualty companies, 140 of them, paid more: on a net premium income aggregating $963,551,000 they paid on an average, $1.10 per $100. Thus, the burden of taxation which the learned delegation wanted to see placed on the shoulders of the mutual companies, if this could be done "equally," was no more than 66 cents per $100 of fire premiums, and $1.10 for every $100 of casualty premiums. Let us call it an over all impost of $1 per $100 of net premium income.

Offhand, even if this charge were placed on the entire premium income of the mutual companies, and if they could not absorb it without wincing (which we doubt), so that they would have to levy $101 where they previously charged $100, one wouldn't conclude that the mutuals would lose much business on that account. And certainly, one would not expect to see that business reverting to the stock companies. Then what good would the stock companies accomplish? Apparently nothing more than comes from forcing a refractory boy to wear his itchy flannels! Did it never occur to this delegation of "tax counsels" that discussing the details of income and outgo with the country's professional cash-raisers might raise something besides cash?

Well, the gentlemen-adventurers and explorers (for the Treasury) started peering, as is their pedantic rule, somewhat below the surface. As might have been imagined they were aided in their scrutiny by none other than the onlookers for the mutual companies. Oddly enough, they came forward with facts and figures which were not specially prepared for public study.

Among others, they pointed to the figures of the very company with which the retiring President of the Association of Casualty and Surety Executives was connected. Probably, they hinted that they furnished to him an opportunity to do some "equalizing" of taxes without his leaving his business domicile. Let us put it that it was brought out that this company, in 1941, did not pay Federal income taxes at the rate of $1.10, as on an average had been paid by all casualty companies, but on the basis of 21 cents per $100. And how had our company managed to do this? Oh, entirely within the law—a defective law, if you like: one that the supervisory insurance departments will doubtless seek to remedy promptly, if for no other reason than that it is not available to the rest of the stock casualty companies, save a rare few.

Let us drop that matter for the present, and look at the results of trying to use a detour instead of a main highway. The results have been brought out clearly and in insurance circles have created, let us say, a profound impression. They include the turning of a glaring light on the operations of the casualty insurance business. Expressed concisely, the retiring President's company paid during the last five years (including 1941), for Federal income taxes, the total sum of $122,000. In the same period, the company made a net underwriting profit of $25,406,000, and a subnormal profit on investments of $11,766,000. Out of these $37,000,000 of joint profits, the shareholders were paid cash dividends at the rate of $3,200,000 a year—16 million dollars.

How any high-ranking officer of a company making such a financial showing, could embark as the bo'sun of a legislative venture to make anybody, competitor or not, stock or mutual, pay more taxes on an "equally fair" basis, or on any basis, is one of the surpassing mysteries. It is comparable only with the one which envelops the order of precedence of the egg and the pullet.

It is not for us to try to dispel the clouds which enwrap such occult happenings as these, nor to conjecture on the kind of tangled skein into which the thoughts of the "tax counselors," aforementioned, must have been elaborately ravelled when they set out on their counselling mission to Washington: there are depths of bungling which defy all attempts to plumb them.

The Revenue Act of 1942 could not be revised, nor kept waiting till the full implications of the revelations just mentioned could be ascertained. But they will be. For there are too many persons interested in seeing that the pitiable venture into "equalization of taxation," just reviewed, shall not be forgotten.

For one thing, it would be an egregious self-delusion to imagine that the law-makers who caught a glimpse of an unsuspected treasure-trove are going to overlook the next opportunity to find out just how green are the valleys they saw, and how far their borders extend.

* * *

The ordeal of offensive inquisition through which the life insurance companies passed during three recent years ended in nothing so impressive as the discomfiture of the inquisitors. But it could well serve as an object-lesson to the casualty companies. The manifesto to which it gave rise, signed by 151 life insurance company presidents was a magnificent defense against the attempts to regulate the daily life and activities of the signatories.[*] But it was also a reflection of the authors' sense of the peril with which their companies were faced. It would be well if the companies made a study of that abortive attempt to "supervise" the life companies out of their directive capacities.

For, today, the casualty companies, and only to a slighter degree the fire companies, are far more vulnerable than the life companies ever have been since the time when the Armstrong investigation became a hazy memory. There is time for that study—while the present world-conflict lasts. When hostilities cease, and the stupendous program of reconstruction is under way, who can say that the 2-billion-dollar business of fire and casualty insurance will not come up for a thorough overhauling by Government agencies?

On what excuse? Oh, let us say to find out whether it could make a "fairer" contribution to the Public Treasury—if only the industry were run with adequate efficiency At that time, as an illustration someone is sure to recall that, as recently as in 1942, the only new weapon that the executives of the casualty companies brought out in their life-long battle with the mutual companies was the "tax-equalizing" fly-swatter—and that had too much resilience to it!

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[*] Best's Fire & Casualty News. Nov. 1942, pp. 70-79.

[*] Commercial & Financial Chronicle. Vol. 151. p. 1354.

The State Of Trade

Industrial activity continues to expand, with not a few quarters reporting new high levels. Electric power production reached a new peak, and building awards were reported at an all-time peak.

The Federal Reserve Board reported that its adjusted index of industrial activity in the United States reached a new record high of 188% of the 1935-1939 average in October, an increase of 3 points over the preceding month and of 24 points over the corresponding 1941 month.

Retail business expanded moderately during the past week to reach new high levels in one of the best fall seasons on record, although a leveling off tendency in the upward sweep of buying was apparent, according to Dun & Bradstreet.

Department store sales on a country-wide basis were up 13% for the week ended Nov. 14, compared with the same week a year ago, according to the Federal Reserve System. Store sales were up 16% for the four-week period ended Nov. 14, compared with last year, and up 11% for the year to Nov. 14, compared with the same period in 1941.

Sales of New York City department stores jumped sharply in the week ended Nov. 21, as compared with last year, recording an increase of 26%, according to a preliminary estimate issued by the New York Federal Reserve Bank. The bank explained that the rise, in part, was due to the fact that the week had six days this year as against five a year ago, when the earlier Thanksgiving was in effect.

In the previous week this year ended Nov. 14, sales of New York City department stores were unchanged as compared with the corresponding 1941 week.

Seasonal expansion in demand lifted power production during the week ended Nov. 14, to 3,775,878,000 kilowatt hours, a new peak and a gain of 12.8% over the comparable 1941 period, according to the Edison Electric Institute.

The total also represented a gain over the Nov. 7 figure which, at 3,761,961,000 kilowatt hours, was 11.7% ahead of the corresponding week last year.

The New England and Mid-Atlantic areas showed a quickening in their percentage increase over last year as did other sections with the exception of the Pacific Coast area.

Loading of revenue freight for the week ended Nov. 14 totaled 826,601 cars, according to reports filed with the Association of American Railroads. This was a decrease of 2,889 cars from the preceding week this year, 57,289 cars fewer than the corresponding week in 1941 and 81,306 cars above the like period two years ago.

This total was 120.18% of average loadings for the corresponding week of the 10 preceding years.

Construction contracts totaling $6,892,161,000 in the 17 Eastern States in the first 10 months of 1942 exceeded the annual volume of any previous year, F. W. Dodge Corp. reports.

The previous yearly record was established in 1928 with $6,628,285,000 building and engineering contracts awarded. This year's 10-month aggregate was 35% greater than for the like 1941 period.

This year's record volume mostly was for construction of war facilities.

Steel production in the United States is scheduled this week at 98.3% of capacity against 98.7% last week, a decline of 0.4%.

This week's rate represents production of 1,681,600 net tons of ingots against 1,688,400 tons last week and 1,584,400 tons in the like 1941 week.

Although the tonnage of scrap has tended to shrink from earlier figures advanced by several communities, the amount is ample for current needs and sufficient reserves are being accumulated by some melters to see them through the remainder of the year.

"The next squeeze," authorities state, "is expected to come in the first quarter unless results of industrial drives continue the flow of dormant material. Apparently the wide-spread effect to get out household accumulations has created a scrap consciousness that is still paying dividends."

The translation of dollars into munitions and other materials of war is currently running at new high levels. Outgo, based on Treasury figures, is at the rate of around $260,000,000 each business day. If this ratio continues, November's war costs will reach $6,500,000,000, the largest amount ever spent by any nation in any month.

Such a sum is more than four times the $1,582,000,000 spent in November a year ago, the month just before the Japanese attack on Pearl Harbor, and is more than 17 times the $391,000,000 which the United States spent for defense in November, 1940. Moreover, it shows a sharp increase over expenditures of $5,700,000,000 in October, 1942.

It is pointed out that United States has come a long way since July, 1940, when, following the collapse of France, the nation first began seriously to face the task of building up its defenses. In the whole month of July in that year, defense expenditures amounted to but $186,000,000. Now, just 29 months later, we are spending one and one-half times that sum for war in an average day.

Our armament production in 1940 was infinitesimal as compared with that of either Great Britain or Germany. Today the United States is turning out a far greater volume of war materials than Great Britain and Germany combined.

It is pointed out that war production in this country is not yet at its peak, whereas the probability is that that of Germany has reached and passed its high point. Donald M. Nelson, War Production Board Chief, is authority for the statement that next year production of military goods alone in the United States will surpass the nation's entire output for all purposes in the biggest peace time boom year, 1929.

Papers Consolidated

Consolidation of Poughkeepsie's (N. Y.) morning, afternoon and Sunday newspapers into a single afternoon and Sunday paper, effective Nov. 16, for the war's duration, was announced on Nov. 12, it is learned from Poughkeepsie Associated Press advices, which further said:

This paper, the Poughkeepsie "New Yorker," will retain the title of the present afternoon publication. It combines the 157-year-old Poughkeepsie "Eagle-News," morning publication and a charter member of the Associated Press, with the "New Yorker" and the Hudson Valley "Sunday Courier." The "New Yorker" was founded in 1882, the Sunday paper in 1872.

Food, Arms to No. Africa

President Roosevelt on Nov. 13 directed the Lend-Lease Administration to supply weapons of war, food and clothing to the armed forces and citizens of French North African areas and promised the same aid to any other territory occupied by the United Nations. In his statement the President said:

"No one will go hungry or without the other means of livelihood in any territory occupied by the United Nations, if it is humanly within our powers to make the necessary supplies available to them.

"Weapons also will be supplied to the people of these territories to hasten the defeat of the Axis."

THE FINANCIAL SITUATION

(Continued from first page)

diately be adopted by all of the peoples of the earth, and must undertake to inculcate in all parts of the world our own policies of social and political reform whether the other people involved so desire or not."

Lacking In Realism

But despite more or less isolated flashes of commonsense from imporant figures here and abroad, the general course of post-war planning in the international scene appears to proceed much as before—and often as far removed from healthy and wholesome realism. Even Sir Stafford and Mr. Welles in the very same addresses to which reference has just been made, give the appearance at many points of being almost hopeless idealists. Sir Stafford insists that post-war arrangements will succeed or fail depending upon whether the search for solutions of our problems are guided by some "higher inspiration" or by "mere selfish gain." Mr. Welles at points glides off into rarified atmosphere talking vaguely about the "four freedoms" and the like. But it is not what Sir Stafford or Mr. Welles, or any of the others, said upon this particular occasion which causes uneasiness, so much as it is that long line of discussions for many months past and engaged in by many public officials in the New Deal family and by many of the professional planners who without question have the ear of the President.

Persuading Others

Perhaps the most disturbing element in this situation is not so much the grandiose plans for a world-wide New Deal which are being formulated by day-dreamers in Washington, a New Deal, apparently, to be financed in very heavy part by the people of the United States, as it is the means which seem to have been chosen for "persuading" other countries and other peoples to proceed as we should like to have them. Many of these schemes (which appear to have at least semi-official character) are so fantastic that one could bring himself almost to the point of feeling certain that those for whom they are planned would, under ordinary circumstances, have none of them. It would appear, however, that the master craftsmen in Washington who are engaged in planning the new world to come after the war have no intention of permitting ordinary circumstances to exist when such proposals are made. Mr. Welles' suggestion of settling a good many of these questions now can scarcely be so guileless as not to have sprung at least in part from a desire to bring such negotiations to a head while our various allies are at the maximum of their dependence upon us for their salvation. The fact that Wilson waited until after the Armistice had been signed to demand adherence to his scheme of world arrangements is often spoken of as "Wilson's mistake," which will not be repeated.

No one, of course, needs to be told that this war has been fought almost as much with intrigue as with tanks and planes. Through our own lend-lease arrangements, the Board of Economic Warfare, and other agencies, we have long been engaged in world-wide efforts to gain friends and alienate friends from our enemies. Activities of this general type have recently come to a climax, and apparently a successful climax, in North Africa. They will doubtless continue throughout the period of the war, and so far as they bear favorably upon the outcome of this struggle—as for the most part doubtless they have—no one is likely to find serious fault with them. They are costing us huge sums and they are obliging us to engage in tactics from which we as a people naturally shrink, but this is war, and fire must be fought with fire.

Post-War Intrigue?

The trouble, or one of them, is that there is altogether too much reason to believe that the powers that be in governmental circles have every intention of continuing this type of activity in part at least in behalf of their schemes for remaking the world after the war is over. The President and other high officials have not hesitated to speak of the part Lend-Lease is designed to play in this program, and the Board of Economic Warfare has been charged with duties of a similar sort. We are doing many things in many parts of the world in the normal course of conducting this global struggle which will leave us in a strategic position, economically, socially and politically speaking, in many lands. We are not only constructing many facilities at many points throughout the globe which will have economic peace value, but our technicians are encouraging, and developing many kinds of skills among many peoples. Among many peoples, assuming a decisive Allied victory within a reasonable period of time, we can scarcely fail to be viewed as miracle-workers and as a sort of Santa Claus.

We Must Not!

In South America, of course, there are and there will remain suspicions that we entertain imperialistic designs—or they will remain unless we take particular pains to eradicate them, and they will not be readily eradicated if we reveal picaresque traits or if we insist upon meddling unduly with the affairs of these peoples. It is said that we are suspect in India and possibly in other parts of Asia. But Greeks bearing gifts sometimes gain their way despite native suspicion, at least for a time, and there is probably no one better acquainted with that fact than the New Deal managers in Washington. What a tragedy it would be if we were to insist upon making use of all these opportunities to "persuade" various peoples to do our bidding in international affairs—no less a tragedy because we have no designs which characterized the 19th century imperialism! A tragedy because it would cost us untold millions of dollars and, in the end, the good-will of untold millions of people—and in the long run we should fail to achieve the ends, whether good or bad, we seek.

The time has come for the American people to give these questions some prayerful and realistic thought. We must get our feet on the ground before it is too late.

A Safe Haven For Investment Funds

Individual investors, trustees and other* fiduciaries interested in becoming acquainted with the Federally insured investment opportunities offered by savings and loan associations should write for current explanatory literature to the associations mentioned below. When doing so please mention the "Chronicle."

- **American Savings & Loan Association**
  17 East First South Street, Salt Lake City, Utah
- **Berkeley Guarantee Building & Loan Association**
  2101 Shattuck Avenue, Berkeley, Calif.
- **Chicago Federal Savings and Loan Association**
  211 South La Salle Street, Chicago, Ill.
- **Danielson Federal Savings and Loan Association**
  84 Main Street, Danielson, Conn.—Write for free booklet and information.
- **First Federal Savings and Loan Association**
  9501 Santa Monica Blvd., Beverly Hills, Calif.
- **First Federal Savings and Loan Association**
  39 Broad Street, Charleston, S. C.
- **First Federal Savings & Loan Association**
  124 Market St., Durham, N. C.
- **First Federal Savings and Loan Association**
  6763 Hollywood Blvd., Hollywood, Calif.
- **First Federal Savings and Loan Association of St. Paul**
  350 Cedar Street, St. Paul, Minn.
- **Fletcher Avenue Savings and Loan Association**
  150 East Market Street, Indianapolis, Ind.
- **Franklin Federal Savings and Loan Association**
  616 East Franklin Street, Richmond, Va.
- **Hinsdale Federal Savings and Loan Association**
  8 East Hinsdale Avenue, Hinsdale, Ill.
- **Mutual Building and Loan Association of Pasadena**
  38 South Los Robles Avenue, Pasadena, Calif.—Write for free booklet, "Profits and Prophecy."
- **Northwestern Federal Savings and Loan Association of Minneapolis**
  823 Marquette Avenue, Minneapolis, Minn.
- **Oak Park Federal Savings and Loan Association**
  104 North Marion Street, Oak Park, Ill.—Write for free booklet.
- **Perpetual Building Association**
  500 11th Street, N. W., Washington, D. C.
- **Piedmont Federal Savings and Loan Association**
  16 West Third Street, Winston-Salem, N. C.
- **Prospect Federal Savings and Loan Association of Chicago**
  1707 West 47th Street, Chicago, Ill.
- **Reliance Federal Savings and Loan Association**
  1904 West Cermak Road, Chicago, Ill.
- **Quaker City Federal Savings and Loan Association**
  1427 Walnut Street, Philadelphia, Pa. — Write for free informative booklet.
- **St. Paul Federal Savings and Loan Association of Chicago**
  2116 West Cermak Road, Chicago, Ill.
- **San Francisco Federal Savings and Loan Association**
  705 Market Street, San Francisco, Calif.
- **Second Federal Savings and Loan Association of Chicago**
  3960 West 26th Street, Chicago, Ill.
- **Standard Federal Savings and Loan Association**
  735 South Olive Street, Los Angeles, Calif.
- **Twin City Federal Savings and Loan Association**
  801 Marquette Ave., Minneapolis, Minn.
- **Union Federal Savings & Loan Association**
  Market and Delaware Streets, Indianapolis, Ind.
- **Washington Permanent Building Association**
  629 F Street, N. W., Washington, D. C.
- **Wilshire Federal Savings and Loan Association**
  461 South Western Avenue, Los Angeles, Calif.

*Guardians, insurance companies, State, school and municipal sinking funds, firemen's, police and other pension funds, etc.

Oct. Life Insurance Sales Decline

The sale of ordinary life insurance in the United States in October amounted to $467,814,000, a decline of about 29% from the volume sold in the corresponding period of 1941, according to the monthly survey issued by the Life Insurance Sales Research Bureau, Hartford, Conn. The total sales volume for the first ten months of 1942, aggregating $5,362,536,000, is about 8% below the amount sold in the same period of 1941.

The sales volume and the ratios for all sections are reported by the Bureau as follows:

	OCTOBER 1942		YEAR TO DATE	
	Sales Volume in $1,000	Ratios '42-'41 All Cos.	Sales Volume in $1,000	Ratios '42-'41 All Cos.
U. S. total	$467,814	71%	$5,362,536	92%
New Engl'd	37,408	73	429,836	92
M. Atlantic	118,351	65	1,409,768	89
E. N. Cent.	106,057	70	1,214,469	91
W. N. Cent	47,518	79	526,316	96
S. Atlantic	47,720	73	522,380	89
E. S. Cent.	18,867	77	217,209	92
W. S. Cent.	32,234	72	388,052	91
Mountain	13,059	77	138,783	91
Pacific	46,600	75	515,723	99

Send Christmas Mail Early To Service Men

The Post Office Department now is starting the most gigantic task in its history—the movement of a deluge of Christmas parcels, cards and letters while maintaining the regular flow of millions of pieces of mail daily to and from our armed forces all over the world, according to an announcement by Albert Goldman, Postmaster at New York, made available Nov. 9, which further said:

"Indications are that the volume of Christmas mail will be the largest on record. Already in September, latest month for which figures are available, retail sales had reached a level second only to the record month of December, 1941, according to the Department of Commerce. And sales are rising. Such heavy purchases always presage heavy mailings.

"If thousands of our soldiers, sailors, marines and civilian friends are not to be disappointed at Christmas time, the public must cooperate by mailing earlier than ever before and by addressing letters and parcels properly. The best efforts of the Post Office Department alone cannot be enough, in view of wartime difficulties faced by the postal system. The public must assist.

"About 25,000 experienced postal workers already have been taken by the war services. Arrangements are under way to add thousands of temporary personnel to postal staffs, but this man power is hard to find and is inexperienced. Facilities of railroads and air lines are heavily taxed by movements of huge quantities of war materials and personnel. Extra trucks are almost impossible to obtain. Winter weather, hampering transportation, is beginning.

"The free-mailing privilege granted to members of the armed forces has raised their mailings some 30%, it is estimated. Expansion of those forces also is adding rapidly to the postal burden.

"The deadline already is past for mailing gifts to Army and Navy personnel overseas with assurance that the parcels will have arrived by Christmas. The New York post office reports that in late October, 350,000 such parcels were handled daily in that office alone.

"The Post Office Department is making strenuous efforts to avoid such a terrific jam as it faced in 1918 under similar conditions, during the First World War. It can succeed in those efforts—and avoid many heartaches for its patrons—if the public will cooperate by mailing early."

Magill Warns Higher Income Taxes May Discourage American Incentive

Income taxes and excess profits taxes, if pushed much higher, may discourage the incentive to produce that has always characterized American individuals and corporations, Roswell Magill, a trustee of the Mutual Life Insurance Co. of New York, and former Under-Secretary of the United States Treasury, warned on Nov. 17 in an address delivered before the Boston Chapter of the American Society of Chartered Life Underwriters.

"For the protection of its own sources of revenue," Mr. Magill said, "particularly in time of war, the Government must see to it that our economy is encouraged to expand, rather than freeze up or shrink because of excessive tax rates." Mr. Magill added:

"Income and excess profits taxes have been pushed almost as far as they can safely be used. Some further increases may be possible, but additional tax revenues should be obtained for the most part from other sources.

"Perhaps a billion more of revenue could still be wrung out of income taxpayers in the lower and middle income brackets, mainly through an increase in the normal tax, but the Government must watch carefully the cost of the increase to the nation in lower living standards, less education and smaller individual savings for emergencies."

Mr. Magill explained that he was not advocating a reduction in total tax revenue. Quite the contrary, he said, he favored the raising of more revenue to pay a greater part of the war costs than is now being paid. But such additional revenue, he stated, should be raised by heavier application of other forms of taxation, rather than by further increases in income taxes and excess profits taxes. He went on to say:

"The best additional levy would be a general retail sales tax. Such a tax would offer many advantages. One is that it would produce needed revenue currently, not a year late. Another is that it is payable in instalments small enough to make it tolerable. Furthermore, it would help directly to curb inflation. And because most of our revenue is already raised through progressive rates of taxation based on ability to pay, a sales tax, in the light of our tax system as a whole, would not be unfair.

"The hardships and economic dangers of present income tax rates have been recognized in the credits granted under the 1942 Revenue Act for life insurance premiums, debt retirement and certain other obligations. Additional credits of the same sort for savings may have to be allowed, particularly if tax rates go higher, in order to avoid destruction of the great middle class. For instance, it is difficult, under present estate tax rates, to preserve a business or property of any size. I therefore think it would be desirable to exempt from estate taxes any life insurance or war bonds specifically set aside for payment of estate taxes. This would protect businesses from forced liquidation and would also assure the Treasury of its estate tax revenues. Under such a plan, the Treasury could, if it wished, issue a special type of obligation acceptable in payment of estate taxes."

The outlook, Mr. Magill said, is for heavy taxation for many years to come. He predicted that post-war Federal budgets would approximate $20,000,000,000 annually, but told his listeners that the country can pay the necessary taxes and still prosper, provided the tax administration is intelligent and fair. He likewise said:

"As anyone who has tried to read the last revenue act will testify, the greatest need is for simplification of the revenue structure. Tax experts should be made to spend the next couple of years codifying and simplifying the law so as to make intelligible to the ordinary taxpayer those parts of the act with which he has to deal.

"Greater economy of administration is another great need. The machinery of administration is now cumbersome and should be overhauled. Although the costs of enforcement have been kept down, the cost to the taxpayer of compliance with the revenue laws is becoming increasingly serious and burdensome."

Total Axis Defeat Seen By President

President Roosevelt declared on Nov. 11 that "the forces of liberation are advancing" and the Nazis and their "appropriate associates, the Japanese" face "inevitable, final defeat." The President made these remarks at ceremonies in Arlington National Cemetery in connection with the 24th annual observance of Armistice Day, which marked the close of the first World War.

In welcoming "the fighting men of our traditional ally, France," Mr. Roosevelt said "it is heartening for us to know that soldiers of France go forward with the United Nations."

At the President's side during the address and the placing of the wreath on the Tomb of the Unknown Soldier was Gen. John J. Pershing, 82-year-old Commander-in-Chief of American forces in France during the last war.

Others attending the ceremony included Secretary of the Navy Knox, Gen. George C. Marshall, Chief of Staff of the Army; Admiral Ernest J. King, Commander-in-Chief of the United States Fleet, and Lieut.-Gen. Thomas Holcomb, Commandant of the Marine Corps.

The text of the President's address follows:

"Here in Arlington we are in the presence of the honored dead.

"We are accountable to them—and to the generations yet unborn for whom they gave their lives.

"Today, as on all Armistice days since 1918, our thoughts go back to the first World War, and we remember with gratitude the bravery of the men who fought and helped to win that fight against German militarism.

"But this year our thoughts are also very much of the living present, and of the future which we begin to see opening before us—a picture illumined by a new light of hope.

"Today, Americans and their British brothers-in-arms are again fighting on French soil. They are again fighting against a German militarism which transcends a hundred fold the brutality and barbarism of 1918.

"The Nazis of today—and their appropriate associates, the Japanese—have attempted to drive history into reverse, to use all the mechanics of modern civilization to drive humanity back to conditions of prehistoric savagery.

"They sought to conquer the world, and for a time they seemed to be successful in realizing their boundless ambition. They overran great territories. They enslaved—they killed.

"But, today, we know and they know that they have conquered nothing. Today, they face inevitable, final defeat.

"The forces of liberation are advancing. Britain, Russia, China and the United States roll rapidly to full strength. The opponents of decency and justice have passed their peak. And—as the result of recent events — the United Nations' forces are being joined by large numbers of the fighting men of our traditional ally, France. On this day, of all days, it is heartening for us to know that soldiers of France go forward with the United Nations.

"The American Unknown Soldier who lies here did not give his life on the fields of France merely to defend his American home for the moment that was passing. He gave it that his family, his neighbor, and all his fellow-Americans might live in peace in the days to come. His hope was not fulfilled.

"American soldiers are giving their lives today in all the continents and on all the seas in order that the dream of the Unknown Soldier may at last come true. All the heroism and all the unconquerable devotion that free men and women are showing in this war shall make certain the survival and the advancement of civilization. That is why on this day of remembrance we do not cease from our work, and that in going about our tasks in behalf of our fighting men everywhere our thoughts turn in gratitude to those who have saved our nation in days gone by.

"We stand in the presence of the honored dead.

"We stand accountable to them, and to the generations yet unborn for whom they gave their lives.

"God, the Father of all living, watches over these hallowed graves and blesses the souls of those who rest here. May He keep us strong in the courage that will win this war, and may He impart to us the wisdom and the vision that we shall need for true victory in the peace which is to come."

Felicitates Russia—Praises Resistance

President Roosevelt, in a congratulatory message to Soviet President Mikhail Kalinin on the 25th anniversary of the founding of the Soviet Republic, on Nov. 6 praised the "incomparable heroism" of the Russian Army and people in their continuing struggle against Nazi conquest and assured him that "the steadily growing power of the United States has been and will continue to be dedicated to complete victory."

Secretary of State Hull expressed similar sentiments in a congratulatory message to Soviet Foreign Commissar V. M. Molotov.

"The United States," Secretary Hull said, "is resolutely gathering its might and is increasingly bringing it to bear against our common enemy."

Mr. Roosevelt's message to President Kalinin follows:

"On the occasion of this 25th anniversary of the establishment of the Soviet State, I convey to Your Excellency the congratulations of the Government and people of the United States.

"For the second time in a generation our two countries are in the forefront of a gathering of nations aligned against a common enemy. Collaboration in the mighty military task before us must be the prelude to collaboration in the mightier task of creating a world at peace.

"The resistance of free peoples has made possible the mounting power of the United Nations. The Russian Army and the Russian people in their continuing struggle against Nazi conquest today bear the brunt of the massed weight of the Nazi might and their incomparable heroism stands as a symbol of determination and unrelenting effort.

"Let Your Excellency be reassured that the steadily growing power of the United States has been, and will continue to be, dedicated to complete victory."

Earnings, Employment At New Peaks In Sept. In Mfg. Industries Conference Board Reports

New peaks in earnings, employment, man hours and payrolls in 25 manufacturing industries were reached in September, according to the National Industrial Conference Board. The Board's announcement follows:

"The average number of hours worked per week in September, although substantially lower than in pre-depression years, was higher than in any other month since June, 1930.

"Hourly earnings which rose 1.8% to $.957 in September, were 13.3% above those of September, 1941, 26.1% above January, 1941, and 62.2% above 1929 earnings.

"Weekly earnings averaged $41.78 in September. They exceeded the August level by 2.2%, the September, 1941, level by 19.0%, January, 1941, by 36.5%, and average weekly earnings for the year 1929 by 46.3%.

"Hours per week rose on an average of 0.5% in September. They were 4.3% higher than in September of last year and 10.1% below the average for 1929.

"'Real' weekly earnings, which are dollar weekly earnings in terms of the commodities and services they will purchase, advanced 1.7% in September. They had risen 9.6% in the year period, were 19.1% above the January, 1941, average, and 48.5% above the 1929 level.

"Employment gains in September amounted to 1.2%. The September level was 11.4% higher than in the previous September, and 38.2% higher than in 1929.

"Man hours, in rising 1.7% in September, surpassed the September, 1941, level by 16.1% and the 1929 average by 24.1%.

"Payrolls stood at 219.2 (1923=100) in September. As compared with the previous month, they have risen 3.5%. Although they have advanced 32.6% since September, 1941, they have increased 102.2% since 1929." The Board also states that in regard to the work week the average work week in September amounted on an average to only 43.4 hours in the 25 industries, but in nine defense industries this average was exceeded. The Board likewise says:

"The average work week in the aircraft and shipbuilding industries was 46.9 and 47.8, respectively. In the machine and machine tool industry and the heavy equipment branches of foundries more than 48 hours were worked. On the other hand, in non-defense industries such as news and magazine printing, hosiery and knit goods, silk and rayon and boot and shoe manufacturing, a work week of fewer than 40 hours tended to pull down the average. Iron and steel workers averaged only 39.8 hours per shift per week in September, but in most instances three shifts were used and the mills were operated at capacity production. In 11 industries, more than 40 hours but less than 43 hours were worked. Nine of them were engaged largely in the manufacture of civilian goods while the remaining two, rubber and chemicals were engaged to a greater extent in defense production."

From Washington

(Continued from first page)

A few Washington newspapermen perked up at that and asked: "What do you mean, Bill?"

"Well," he said, and you can imagine how painful it was for him, "it is quite apparent that the Americans are getting ready once again to refuse their great responsibility in the world."

I was quite disappointed at the way my colleagues answered. Sir Wilmott had stated the proposition quite gravely, and in perfect English. I was quite embarrassed when my colleagues laughed heartily and said: "Bill, you've got something there."

That's no way to dismiss such world wide questions, of course—not with a snicker. So I said:

"Bill, or Sir Wilmott, I am inclined to agree with you that the trend seems to be that once again we are deciding not to accept our great responsibility in world affairs.

"But," says I, and I wish I could quote somebody else because, to my mind, it was really smart, "I'd like to ask you about what you mean 'our accepting our responsibility in world affairs.' Do you mean, for example, that we should set up in India, in Egypt, in Malaya, a joint administration whereby we would jointly govern with the British, have an equal number of troops and an equal investment opportunity?"

"We can't get down to details," said Sir Wilmott.

Well, we don't know how this thing is going to work out. We think that the little episode hereby related is a commentary on it. Certainly there is nothing more futile than arguing about how the peace is to develop. One thing is unmistakable. Henry Wallace and F. D. R. and that crowd have one of the most grandiose schemes that was ever perpetrated upon humanity. It would be tremendous if it worked, but the American political tide is against it. But the American political tide is not yet up to the point of checking this scheme. The fact that they may check it is what Sir Wilmott is worried about.

Hull Thanks American Republics For Support

Secretary of State Cordell Hull expressed on Nov. 14 his own "deep gratitude and that of the United States Government" for the messages of support from other American countries in connection with the North African campaign.

The text of his statement follows:

"I have been greatly moved by the great numbers of messages of support received by the United States Government this week from our good neighbors in the other Americas in regard to the United Nations offensive in Africa.

"Telegrams of appreciation and pledges of cooperation have come from high officials and persons in all walks of life. It has been possible to acknowledge only a small portion of these messages individually. Therefore, I want to take this opportunity to express my own deep gratitude and that of the United States Government for this impressive demonstration of support and encouragement from the friends who are united with us in the determination to preserve our American liberty."

The following special message was sent by Secretary Hull to Enrique Ruiz Guinazu, Argentine Minister for Foreign Affairs, according to the Associated Press:

"I wish to express my thanks for Your Excellency's message with reference to the actions of American armed forces in North Africa. This Government is happy to receive from you an expression of interest on behalf of the people and Government of Argentina in the efforts of the United States to safeguard the security of the Western Hemisphere. With assurances of my high personal regard,

"CORDELL HULL,
"Secretary of State of the United States of America.

Building Up Of Corporate Reserves In War Essential To Peace Time Readjustments

Pointing out that "it is of the utmost importance for our national welfare that corporations should be allowed to accumulate sufficient savings during the war period to enable them to reconvert for peacetime production after the war, so as to be able promptly to provide regular jobs for workers," Brig. Gen. Leonard Ayres, Vice-President of the Cleveland Trust Co., in the company's "Business Bulletin" Nov. 16 notes that "business conditions after the war are going to be greatly affected by the volume of the savings that corporations are able to make while the war continues." Gen. Ayres further says:

"During the first World War, and for 10 out of the 11 years following it, American corporate enterprise, taken as a whole, accumulated about $30,000,000,000 of undistributed earnings, and then drew upon its reserves for more than that huge amount during the Great Depression. At the present time this country's corporate enterprise has only small amounts of accumulated savings, and so the post-war outlook for business will largely depend on savings that can be made during this period.

"It is estimated that American business saved about $2,600,000,000 after taxes and dividends last year, and that the corresponding amount will be smaller this year. All will agree that corporation taxes should be heavy during this war, and we all know that they must be large for a long time after the war."

Supreme Court Rule On Saboteurs Civil Trial

The U. S. Supreme Court recently handed down its formal opinion in denying petitions for writs of habeas corpus filed last summer by a group of Nazi saboteurs, who contended they were entitled to trial in a civil court, and upholding President Roosevelt's right to order military trials for enemy invaders, even if they are American citizens.

The Court announced its judgment July 31, after an extraordinary three-day session in the midst of its summer recess, as was noted in our issue of Aug. 13, page 544.

The 23-page opinion, written by Chief Justice Harlan F. Stone, was made public on Oct. 29 by Charles Elmore Cropley, Clerk of the Court.

Six of the seven Nazis who applied for the petitions were subsequently electrocuted. However, the Military Commission tried eight Nazi saboteurs with two receiving long prison terms.

With respect to the Court's opinion, the Associated Press in Washington accounts Oct. 29, reported:

"Chief Justice Stone said it was without significance that the spies were not alleged to have borne conventional weapons or that their proposed hostile acts did not necessarily contemplate collision with the armed forces of the United States."

"Modern warfare," he added "is directed at the destruction of enemy war supplies and the implements of their production and transportation quite as much as at the armed forces."

"We have no occasion now," the Chief Justice said, "to define with meticulous care the ultimate boundaries of the jurisdiction of military tribunals to try persons according to the law of war.

"It is enough that petitioners here, upon the conceded facts, were plainly within those boundaries, and were held in good faith for trial by a military commission, charged with being enemies who, with the purpose of destroying war materials and utilities, entered or after entry remained in our territory without uniform—an offense against the law of war.

"We hold only that those particular acts constitute an offense against the law of war which the Constitution authorizes to be tried by a military commission."

The opinion also said: "The spy who secretly and without uniform passes the military lines of a belligerent in time of war, seeking to gather military information and communicate it to the enemy, or an enemy combatant who without uniform comes secretly through the lines for the purpose of waging war by destruction of life or property, are familiar examples of belligerents who are generally deemed not to be entitled to the status of prisoners of war, but to be offenders against the law of war subject to trial and punishment by military tribunals."

Although the opinion was unanimous in its conclusion, the Chief Justice explained that "a majority of the full court are not agreed on the appropriate grounds for decision."

There was a difference, he explained, over the question of applicability of articles of war prescribed by Congress to a Presidential military commission. There may have been a 4-to-4 split on this question, since Justice Murphy did not take part in the decision. He was serving in the Army as a Lieutenant-Colonel when the case was argued last summer.

The opinion commented that "we are not here concerned with any questions of the guilt or innocence of petitioners." This referred to a contention by their attorneys that they had no intention of obeying sabotage orders alleged to have been given them by the German high command.

Advertising Vital In War & Post-War Era

According to Charles E. Murphy, Legal Counsel of the Advertising Federation of America and former President of the Advertising Club of New York, the entire advertising fraternity will be grateful this Thanksgiving Day because of three outstanding facts:

"(1) Advertising is making a valuable contribution to our national war effort and to our wartime economy.

"(2) Advertising has not only survived several years of many-sided attacks but has become stronger and more virile and better understood as the result of its fair, courageous and intelligent counter-offensive.

"(3) Advertising faces in the post-war years to come an era of growing responsibility and expanding opportunity. The post-war years may well be known as the golden age of advertising."

Mr. Murphy made these observations in a talk before the Annual Alumni Meeting of the Advertising and Selling Course of the Advertising Club of New York on Nov. 10.

With respect to advertising's contribution to the country's war effort and wartime economy, Mr. Murphy said:

"Not only has advertising promoted enlistments in our armed ranks, civilian volunteer services, nutrition, salvage, and other vital causes, but it has impressed on consumers the necessity for prudent buying and has kept alive a desire for such advancement and improvement as will not interfere with our war effort. Advertising's greatest single contribution to our war-time economy, in my opinion, has been its ability to direct the consumption of goods and the tastes of the public into the proper channels as dictated by the ever-changing necessities of war. The gigantic expenses of war cannot be paid by taxes unless the public continues to buy such goods as are available. It is in this field that advertising has been and will continue to be of incalculable value.

"The Advertising Council, the Advertising Federation of America, the American Association of Advertising Agencies, The American Newspaper Publishers Association, the Association of National Advertisers, the Direct Mail Advertising Association, the Outdoor Advertising Association, and other organizations of advertising men and women throughout the country have been zealous in their willingness and desire to assist our war effort in every way possible."

As to advertising being strengthened by attacks, Mr. Murphy stated:

"Advertising has not only survived the multifarious attacks of the last few years but has been fortified in the process of meeting these attacks. They put advertising on its mettle; they forced us to sell our own product to the public, with the result that there are many teachers, professors, bureau heads, consumer groups, legislators and public executives today who have a better understanding of advertising and its vital role in our national economy. . . .

"Our work is not ended; there will be new opponents arising both in the field of politics or among pseudo-economists, but advertising has learned how to meet them. Our watchfulness must not cease, as the protection and perpetuation of advertising is as essential as the promotion of American business itself."

Mr. Murphy had the following to say regarding the place of advertising in the post-war period:

"Advertising will have to perform all of its useful functions with great effectiveness in the post-war years to come, for as one of the chief tools of distribution it will have the responsibility of helping to see our country through the pains of readjustment from war-time to peace-time economy. Then, after doing its part of the difficult job during readjustment, advertising will face its golden opportunity when it will help sell to America all of the products of replacement in the wide field of consumer products; when it will be called upon to promote inventions and improvements held back by the war, new products and new designs in automobiles and accessories, fashions, radios, sporting goods, foodstuffs, and in many other fields.

"Men and women in advertising must be ready for those days, for the rewards will be rich for those with imagination, ingenuity, technical training, and the desire to do a good job."

Hails Solomons Battle As A Major Victory

President Roosevelt told his press conference on Nov. 17 that the Solomon Islands naval battle was a major victory over a superior Japanese force.

The victory was also hailed by Secretary of State Hull as a magnificent success and by Secretary of the Navy Knox as a "major" but not a "decisive" triumph. Secretary Knox, warning that there probably will be another Japanese thrust, said that the victory left American forces in complete possession of the area and undisputed possession of Guadalcanal airfield.

The losses to the Japanese fleet as a result of this battle are listed as one battleship, five cruisers and 17 other ships, as against American losses of two cruisers and six destroyers.

Treasury Initiates Payroll Savings Campaign, Urges Employers As War Bond Issuing Agencies

The Treasury Department, in cooperation with leaders of management, and labor, initiated on Nov. 16 an important six weeks' payroll savings campaign. The object of the campaign is to increase the number of wage earners regularly buying War Savings Bonds through payroll savings plans from the present total of approximately 21,000,000 to 30,000,000, and at the same time to raise the percentage of total earnings pledged for this purpose from 8% to 10%. Rose Barrett, Jr., Assistant Director of the Radio and Press Sections of the War Savings Staff, in indicating this, said:

"Our slogan will be 'Top That 10% By New Year's.'

"Needless to say, the continued success of the War Savings Program depends very largely upon the payroll savings plan. That has proved the only satisfactory means of insuring the systematic purchase of war bonds by millions of workers.

"The issuance and sale of large numbers of small denomination bonds, however, entails an enormous amount of work. In recent months this has been facilitated by the fact that a large number of business and industrial companies have qualified as issuing agents for series E bonds. The payroll savings drive will create an even greater need for issuing agents, particularly among employers operating payroll savings plans in their establishments."

The payroll savings drive, it is pointed out, will create an even greater need for employer issuing agents for series E bonds, particularly among employers operating payroll savings plans in their establishments. Since the issuance and sale of large numbers of small denomination bonds entails an enormous amount of work, the Treasury urges organizations operating payroll allotment plans for employee purchases of war bonds to apply to the Federal Reserve banks for designation as issuing agents for series E bonds, in order not to overtax the facilities of banks and other agents and to speed up the delivery of bonds.

Nearly 7,000 business and industrial companies have already become issuing agents for series E bonds. In addition, there are 15,000 banks, more than 3,000 building and loan associations, and nearly 3,000 credit unions, making the total number of non-government issuing agents for series E bonds nearly 29,000.

As to the qualifications for employers applying to become issuing agents, the Treasury explains:

"An organization which would, in all probability, issue E bonds to its employees in a number sufficient to warrant its becoming an agent can obtain an application-agreement form for the purpose from the Federal Reserve bank of its district. The form, which is brief and simple, must be signed by the president or vice-president of the firm.

"It is not required that business and industrial organizations deposit collateral to qualify as issuing agents for series E bonds. A very simple arrangement has been established whereby employer firms operating payroll savings plans pay in advance for all bonds which they require for issuance to their employees. This procedure permits prompt receipt of funds by the Treasury and works no hardship on the firm since the payments are not made from the working capital of the firm, but from amounts accumulated through payroll deductions and held in trust for employee bond purchases.

"Whereever it is practicable firms which are issuing agents deliver bonds directly into the hands of employees who have purchased them. In some cases, however, particularly in industrial plants and shops, working conditions make this manner of delivery impracticable, and bonds are sent to their owners by registered mail. Such mailing costs are refunded to agents through Federal Reserve banks, and as soon as arrangements can be made it is planned to simplify the mailing procedure."

American Invasion Will Speed Russia Aid

Vice President Henry A. Wallace declared on Nov. 8 that "conquest of the Mediterranean will open the 'side-door' to Germany and give us the shortest possible supply route to southern Russia."

Mr. Wallace made this comment in an address before a mass meeting in Madison Square Garden, New York City, in connection with the Congress of American-Soviet Friendship, dedicated to the development of closer understanding between the two countries.

Departing from his prepared speech to hail the American landings in North Africa, the Vice President asserted that "we have now reached the time when victory can be taken from us only by misunderstanding and quarreling among ourselves."

Mr. Wallace revealed that President Roosevelt "has told the Army and Navy and all the other war agencies in terms which cannot possibly be misunderstood that help to Russia comes first—up to the limit of shipping possibilities." He added that the American people were solidly behind the President "in his decision to give Russia priority number one."

Mr. Wallace declared that a new kind of democracy—the democracy of the common man—in which the people of the United States and Russia are so deeply interested, "will be neither communism of the old-fashioned internationalist type nor democracy of the old-fashioned isolationist sort." He further stated that the new democracy must give "a guarantee of peace" contending that "willingness to support a world organization to maintain world peace by justice implemented by force is fundamental to the democracy of the common man in these days of airplanes."

Mr. Wallace continued:

"The first article in the international law of the future is undoubtedly the United Nations' Charter. The United Nations' Charter includes the Atlantic Charter, and there is little reason why it should longer be called the 'Atlantic Charter' in view of the fact that the broader instrument has been validated by 30 nations.

"This United Nations' Charter has in it an international bill of rights and certain economic guarantees of international peace. These must and will be made more specific. There must be an international bank and an international TVA, include say an international Dnieperstroy dam for that matter, based on projects which are self-liquidating at low rates of interest."

As "a starter" for a post-war public works program, the Vice President suggested "a combined highway and airway from Southern South America across the United States, Canada, and Alaska, into Siberia and on to Europe with feeder highways and airways from China, India and the Middle East."

Supreme Court Upholds Penalty Levied Against Wheat Marketed In Excess of Quota

The United States Supreme Court upheld as constitutional on Nov. 9 the penalty of 49 cents per bushel imposed under the Agricultural Administration program for marketing 1941 wheat in excess of quotas fixed by Congress. On March 14 of this year a special three-Judge Federal Court at Dayton, Ohio, held the penalty invalid, and reference thereto appeared in our March 26 issue, page 1259. The Supreme Court's conclusions of Nov. 9 were handed down in response to the suit which had been filed in the Ohio action, brought by Roscoe G. Filburn, on behalf, of a group of Montgomery County (Ohio) farmers. In another decision on Nov. 16, the Supreme Court again upheld the validity of the Agriculture Department's excess wheat program, affirming a Federal District Court decision that the collection of penalties under the Agricultural Adjustment Act could not be enjoined. As to the Supreme Court's conclusion in that case United Press advices in the "Wall Street Journal" of Nov. 17 stated:

"The lower court, sitting in Clay County, Kan., refused the injunction because Secretary of Agriculture Claude R. Wickard was not properly served with a summons. But the Supreme Court affirmed the decree on the authority of a decision it handed down last week which upheld validity of the program.

"Last week's decision sustained the constitutional authority of Congress to extend the quota system to wheat consumed on the farm, and held valid an increase in the penalty on excess wheat from 15 to 49 cents."

Regarding the Supreme Court decision of Nov. 9 the Associated Press said:

Justice Jackson delivered the opinion on a challenge of the 1941 legislation by a group of Montgomery County (Ohio) farmers. The litigation was considered of far-reaching importance by the Roosevelt Administration.

The legislation, passed by Congress May 26, 1941, increased the penalty on the excess over AAA quotas from 15 cents to 49 cents per bushel and prevented the sale or use on the farm of any wheat produced until the penalty had been paid.

This legislation was an amendment of the 1938 Agricultural Adjustment Act which authorized the Secretary of Agriculture to fix quotas restricting the marketing of basic farm products.

"Then penalty provided by the amendment," Justice Jackson said, "can be postponed or avoided only by storing the farm marketing excess according to regulations promulgated by the Secretary or by delivering it to him without compensation; and the penalty is incurred and becomes due on threshing.

"Thus the penalty was contingent upon an act which appellee (the wheat farmer) committed not before but after the enactment of the statute, and had he chosen to cut his excess and cure it or feed it as hay, or to reap and feed it with the head and straw together, no penalty would have been demanded. Such manner of consumption is not uncommon.

"Only when he threshed and thereby made it a part of the bulk of wheat overhanging the market did he become subject to penalty."

It was contended by the wheat farmers that the amendment, by attempting to regulate the amount of wheat grown by a farmer for his own use as food, feed or seed, was unconstitutional because this wheat had no direct effect on interstate commerce.

Solicitor-General Charles Fahy asserted, however, that the total supply of wheat was the amount "available for all uses and the amount consumed on the farm is not economically separable." He said this method of enforcement was adopted to facilitate administration of the wheat program.

Roscoe C. Filburn, in whose name the suit was brought, contended also that it was unconstitutional to increase the penalty for overproduction when the crop was almost ready for harvesting and only five days before a referendum was held at which wheat farmers approved the quotas.

He also accused Secretary of Agriculture Wickard of having "encouraged farmers to exceed their acreage quotas," because of the war, before Congress voted the increased penalties.

Mr. Filburn contended that under the legislation in effect when he planted his crop in the fall of 1940 he could market the wheat produced by paying the penalty of 15 cents per bushel on the excess.

Secretary Wickard appealed to the Supreme Court from a ruling by a three-judge Federal Court at Dayton, Ohio, holding invalid the increased penalty and enjoining collection of more than 15 cents per bushel penalty.

President Regrets Break With Vichy Govt.

In a formal statement issued Nov. 9, President Roosevelt expressed "regret" that Pierre Laval, Chief of the Vichy Government, had decided to sever diplomatic relations with the United States as a result of the American Army movements in French North Africa. The President declared that M. Laval "is evidently still speaking the language prescribed by Hitler, but added that "nevertheless, no act of Hitler, or of any of his puppets, can sever relations between the American people and the people of France." "We have not broken relations with the French," said Mr. Roosevelt. "We never will."

Secretary of State Cordell Hull earlier the same day (Nov. 9) gave formal confirmation of the break in relations with the Vichy Government. Gaston Henri-Haye, the Vichy Ambassador at Washington, received his passport from George T. Summerlin, the State Department Chief of Protocol, at Mr. Hull's direction.

The restrictions of the trading with the Enemy Act of 1917 were extended to cover all of France within Continental Europe. Since the fall of France in the summer of 1940 only German-occupied France was considered "enemy territory." The text of President Roosevelt's statement follows:

"The representative of this Government at Vichy has reported that last evening M. Laval, chief of the Government at Vichy notified him that diplomatic relations between Vichy and this Government had been severed. I regret this action on the part of M. Laval.

"He is evidently still speaking the language prescribed by Hitler.

"The Government of the United States can do nothing about this severance of relations on the part of the Vichy Government.

"Nevertheless, no act of Hitler, or of any of his puppets, can sever relations between the American people and the people of France. We have not broken relations with the French. We never will.

"This Government will continue as heretofore to devote its thought, its sympathy and its aid to the rescue of the 45,000,000 people of France from enslavement and from a permanent loss of their liberties and free institutions."

China Will Need Large Credits After War

T. V. Soong, Chinese Foreign Minister, said recently that China will need from $5,000,000,000 to $10,000,000,000 in foreign credits for post-war reconstruction and was confident that "friendly powers" will advance this amount, according to United Press advices from Chungking.

Dr. Soong, who was special envoy to Washington and served as China's representative on the Pacific War Council, assumed his duties as Foreign Minister on Oct. 30.

At his first press conference since arriving from Washington, Dr. Soong said on Nov. 3 that he had left the United States with "a full and complete assurance of victory in the not-distant future."

Reporting his remarks, Associated Press Chungking advices stated:

He said he had come back to China with the impression that "the greatest difficulties are over —the worst has passed. I left with a feeling of restrained optimism."

Explaining his feeling in part, he said he was struck by the tremendous energies of the United States.

"America is building a great army, a tough army, an unbeatable army," he declared. "America is not fighting to the last Briton or the last Russian. She's in the war and means to spare nothing."

Announcing that he would go to England in the near future and would pay a visit to Russia as soon as he had the opportunity, Soong emphasized that China had no territorial ambitions but wanted to recover her own territory "such as Manchuria and Formosa."

The question of increased aid to China's armies, he continued, was "mainly a question of transport routes — a question of logistics. There is no question of America's desire to give every aid to China."

At the start of the present war, he added, he was "impressed by President Roosevelt, who mobilized manpower and resources of the United States in a democratic way. He had the strength of a giant, but didn't use it like a giant."

Canada, he said, was "conducting a wonderful war effort, which in proportion to her population surpasses that of any other country."

US To Buy Ford Tire Plant For Russia

Announcement was made on Oct. 30 by William M. Jeffers, Rubber Administrator, and by the Ford Motor Co. of the sale of the company's tire manufacturing plant at Detroit to the United States Government for shipment to Russia, in fulfillment of a commitment made in July, 1941.

The arrangement for the plant's purchase followed brief negotiations between Mr. Jeffers and Edsel Ford, President of the Ford Motor Co., and it is understood that as soon as terms of the agreement are settled machinery will be dismantled and readied for shipment to Russia.

Mr. Jeffers, according to Washington United Press advices Oct 30, praised the Ford company for its prompt action in offering its tire plant for sale in response to his request.

"Both Edsel Ford and other officials of his company and O. Kelley Anderson of my organization deserve hearty congratulations for the celerity with which this transaction was carried out," he said. "As a result we will be able to fulfill our commitment to Russia now instead of months from now."

Mr. Jeffers said that the equipment will produce annually 1,000,000 or more tires of Russian dimensions.

Byrnes Declares Chief Problem Is Organizing Civilian Economy; Predicts More Rationing

James F. Byrnes, Economic Stabilization Director, declared on Nov. 16 that the country's first and chief problem "is to organize our civilian economy to win the war." In an address delivered at the New York Herald Tribune Forum, Mr. Byrnes termed the second problem to be the organizing of the civilian economy "so that the burdens and restrictions of war are equitably and democratically shared," adding that this can only be done if all of us, industrialist, farmer and worker alike, cooperate.

Warning that the road ahead "is hard and may be long," the Stabilization Director said "there is no question that to meet the requirements of the war plans of our military leaders we must draw in our belts just as far as we can draw them in without reducing the overall efficiency of our war effort."

Mr. Byrnes explained that wartime restrictions are intended to help the average man, woman and child "to obtain more rather than less than he would otherwise obtain, and to help him buy what he needs at a lower price than he would otherwise have to pay." He continued:

"In war time, price controls, wage controls and rationing controls are not ingenious devices to punish people and to make the grim business of war grimmer than it need be. They are measures designed to help our war effort and to reduce the hardships of war, particularly on the family in modest circumstances. By and large, the average citizen, be he a farmer, a wage earner, a business or professional man, has less to fear from price, wage and rationing controls than he has from their absence."

Pointing out "it is clear that we must ration many more commodities," Mr. Byrnes said "it will also be necessary to siphon off the excess purchasing power," advocating doing this by taxation and compulsory savings. As to the latter proposal, Mr. Byrnes said:

"After the war these savings would be returned to the people over a period of years. They would then have the money to spend to create markets for peace products. Such a savings fund would provide employment. It might save us from a business depression. If, however, depression came, the savings would enable many to escape want and suffering. It would make unnecessary frantic efforts to provide relief programs. Above all else, it would help us to win the war more quickly."

As to the advantages to the war effort of limiting profits on salaried incomes in the higher brackets, Mr. Byrnes declared:

"Some honestly believe that such limitations are in the nature of social reforms imposed under the guise of war needs. I disagree. Peace is peace, and war is war, and the conditions which make for the success or failure of business are not necessarily the same in war time as in peace time. Individual enterprise can help and is helping to win the war, but the war has made and destroyed businesses without a nice regard in all cases to the enterprise of their owners. Enterprising men capable of earning the highest salaries have been drafted into the war, while fate, not judgment, has decreed that others remain at their civilian posts. When men of enterprise are fighting on the desert sands, men of enterprise at home should not object to sharing the burdens of war."

"The so-called $25.000 salary limitation actually affects only those having a salary in excess of $67,200. The tax on that salary will reduce the net income to $25,000. That salary limitation in 1942 would affect only 3,000 persons. From the fury of the protests one would think it affected three million persons."

Mr. Byrnes said that some of those who oppose the ceiling "assert that they object only because they fear the limit will continue after the war. I, too, would object to its continuance."

Mr. Byrnes pointed out that the law upon which the ceiling order is based will expire June 30, 1944. It can be continued only by affirmative action of the Congress, he said, adding that "if a man fears the Congress, he fears the people."

In defending the salary ceiling, Mr. Byrnes also stated:

"Many of the 3,000 persons affected by this limitation receive salaries from corporations having war contracts or corporations whose profits come from the inflated war incomes of the people. Such excessive salaries are responsible for the demands of many for increased wages and increased prices for commodities, which demands make it difficult to prevent inflation."

Cancels Draft Deferments For Federal Employees

President Roosevelt, in a memorandum to all Federal departments and agencies, on Nov. 17 instructed them to cancel any deferments from military service which may have been granted to their employees and requested them not to seek any future deferments except for highly scientific or technical employees.

The President's statement follows:

"I am most anxious to make sure that no man should be deferred from military service by reason of his employment in any Federal department or agency, either in Washington or in any other place.

"If any deferment has been given to any one within your respective jurisdictions would you please arrange for cancellation thereof as soon as possible and notify the Selective Service Board having jurisdiction? No further requests for deferment by reason of such employment should be made either by the agency or by the employee.

"I am sure that in the overwhelming number of cases this action will be welcomed by the young men themselves who are involved.

"I know that in certain technical or highly scientific or specialized branches of the service there are a few employees who, by reason of unique experience, are really irreplaceable by women or older men. If there are any which in your opinion fall within this category will you please write me the full details of them so that their cases may be passed on individually?"

Urges Early Xmas Mailing

Postmaster Albert Goldman of New York announces that during the holiday time the volume of mail increases approximately 200%. Postoffices, he said, will make every effort to handle these Christmas mails without delay, but this will be possible only with the cooperation of the public. Therefore, to assure delivery of Christmas presents, cards, and letters by Christmas Day, the Postoffice Department advises the public to shop and mail earlier this year. Gifts should be mailed at least 20 or 25 days before Christmas according to the distance to be transported. Parcels may be marked "Do not open until Christmas," this being permitted in order to encourage early mailing.

WPB Controlled Material Plan Designed To Aid Small Business In Overcoming Supply Problems

Analyzing current attempts to aid small business, Henry H. Heimann notes that the new Controlled Materials Plan of the WPB for supply of materials is the first of three fundamental approaches designed in behalf of small business during the difficult war production period. Mr. Heimann, Executive Manager of the National Association of Credit Men, discusses in the Association's November "Business Review" the many severe problems because of the effects of the war facing small business; he notes that "the CMP is the latest in a series of official efforts aimed at coordinating raw materials with production needs," and says "it is hoped that it will aid both sub-contractors and prime contractors." Mr. Heimann points out that:

"Disequilibrium in the supply of vital materials had developed under the priorities system and it is this problem that CMP has been designed to correct. It will, however, take several months to determine whether or not this plan's hoped-for advantages can be realized.

"Some small manufacturers and material suppliers have already indicated the possibility that the new 'vertical' method of allocating materials will leave them more vulnerable, as sub-contractors, than did the earlier priorities and the subsequent Production Requirements Plan, which operated on a so-called 'horizontal' basis."

Mr. Heimann cites as the second development "the announcement of plans to curb the downward trend in sub-contracting in connection with war production and at the same time to provide a greater amount of work for the smaller industries." As to this he says:

"In this connection the Smaller War Plant Corporation, together with the WPB, the Army, and the Navy, has developed steps designed to halt machine tool and equipment deliveries to prime contractors wherever smaller plants can, on a sub-contracting basis, employ comparable facilities which they already have. The Smaller War Plants Corporation, by means of advance information from the procurement agencies, will attempt to meet production needs with possible facilities already in existence in smaller plants.

"The announcement of this development also pointed out that the SWPC will endeavor to maintain a list of small plants which can be adapted for production of certain types of needed war goods and will aid the procurement agencies in placing prime or subcontracts by certifying the capacity and the credit of the smaller plants as well as providing engineering and other technical advice to the smaller sub-contracting units."

With respect to the third development, viz, small business legislative plans, Mr. Heimann has the following to say:

"The third development of basic interest to American small business men concerns the various proposals now before Congress to aid small business by means of specific legislation. These have been so numerous and so varied that any attempt to analyze each legislative proposal would serve little more than to add to the present confusion.

"From our contacts with small business men, however, it appears clear that the vast majority, while desiring assistance, do not think of this in terms of a cash subsidy. Rather, they wish a fair opportunity to compete in both the production and distribution of civilian and war goods.

"One of the more recent legislative proposals is that introduced in the House in behalf of Congressman Lea, Chairman of the Interstate and Foreign Commerce Committee. It would set up regional representatives whose work would be along lines of aiding small business men in connection with their problems and in procurement of government contracts.

"While the basic policy of the bill appears sound, much of such a measure's worth would depend upon the type of representatives placed in the field. Only individuals with practical experience in small business problems could have a fair chance of aiding small business men to meet the present challenge; the alternative would mean, more or less, an added expense to the government for which the small business man, through higher taxes, would have to pay his share."

In his continuing comments, Mr. Heimann says:

"In general, there are a few major items upon which all small business men appear to be in agreement. First, relief from the numerous reports which are particularly burdensome to the small business man's limited staff.

"Second, an attitude of greater confidence on the part of the official procurement agencies in the small business man's ability to supply materials or to manufacture needed items. Willing to compete with his bigger brothers, the smaller business man would like to avoid the recurring necessity of proving capability merely because his firm is in the smaller category.

"Small business men generally realize that in many instances the procurement agencies of the government must get volume deliveries on schedule. They realize also that the maintenance of many small business units in these war times will be an important contribution to the post-war maintenance of the type of government we are defending on the field of battle.

"They feel, therefore, that the easiest way may not be the soundest way. In expressing it in this fashion, they do not suggest that deliveries of war needs be curtailed whatsoever. Their facilities, in fact, are offered to increase such deliveries."

Internal Rev. Bureau Explains Deductible Advertising Expenses

The Bureau of Internal Revenue, in a formal statement on deduction of advertising expenses for tax purposes, said recently that it recognizes advertising as "a necessary and legitimate business expense so long as it is not carried to an unreasonable extent or does not become an attempt to avoid proper tax payments."

While saying that no definite rule for determining what was reasonable could be laid down in advance to fit all situations, the Bureau explained that, therefore, it would consider applications for individual rulings. It indicated a desire to limit these as much as possible, however, and said individual rulings should not be necessary except under most unusual circumstances if the general rules were followed.

The statement follows:

"Advice is requested as to the extent expenditures for advertising will be deductible from gross income for Federal tax purposes.

"To be deductible, advertising expenditures must be ordinary and necessary and bear a reasonable relation to the business activities in which the enterprise is engaged. The Bureau recognizes that advertising is a necessary and legitimate business expense so long as it is not carried to an unreasonable extent or does not become an attempt to avoid proper tax payments.

"The Bureau realizes that it may be necessary for taxpayers now engaged in war production to maintain, through advertising, their trade names and the knowledge of the quality of their products and good will built up over past years, so that when they return to peace-time production their names and the quality of their products will be known to the public.

"In determining whether such expenditures are allowable, cognizance will be taken of (1) the size of the business, (2) the amount of prior advertising budgets, (3) the public patronage reasonable to be expected in the future, (4) the increased cost of the elements entering into the total of advertising expenditures, (5) the introduction of new products and added lines, and (6) buying habits necessitated by war restrictions, by priorities and by the unavailability of many of the raw materials formerly fabricated into the advertised products.

"Reasonable expenses incurred by companies in advertising and advertising technique to speed the war effort among their own employees, and to cut down accidents and unnecessary absences and inefficiency, will be allowed as reductions. Also, reasonable expenditures for advertisements, including the promotion of government objectives in wartime, such as conservation, salvage, or the sale of war bonds, which are signed by the advertiser, will be deductible provided they are reasonable and are not made in an attempt to avoid proper taxation. . . .

"No definite rule for determining what is reasonable in the case of expenditures for advertising can be laid down in advance so as to fit all situations and all classes of taxpayers. In determining whether the amounts are reasonable, it is necessary to take into consideration all the facts and circumstances in each particular case.

"The Bureau will consider applications for individual rulings. It is, however, busy with an unusual volume of work, and it is believed that if taxpayers will keep in mind the foregoing general rules, individual rulings will not be necessary except under most unusual circumstances."

Previous reference to the Bureau's policy, as explained by Commissioner Guy T. Helvering, appeared in our issue of Oct. 1, page 1171.

Market Transactions In Govts. For Oct.

Market transaction in Government securities for Treasury investment and other accounts resulted in net sales of $1,000,800 in October, Secretary Morgenthau announced on Nov. 16. This compares with net sales of $4,500,000 in September.

The following tabulation shows the Treasury's transactions in Government securities for the last two years:

1940—		
November	$284,000	sold
December	1,139,000	sold
1941—		
January	$2,785,000	purchased
February	11,950,000	purchased
March	No sales or	purchases
April	$743,350	sold
May	200,000	sold
June	447,000	purchased
July	No sales or	purchases
August	No sales or	purchases
September	$2,500	sold
October	200,000	sold
November	No sales or	purchases
December	$60,004,000	purchased
1942—		
January	$520,700	sold
February	29,980,000	purchased
March	5,814,450	purchased
April	300,000	purchased
May	16,625	purchased
June	250,000	sold
July	2,295,000	sold
August	8,446,000	sold
September	4,500,000	sold
October	1,000,800	sold

Appeals For Unity Of Action By United Nations Calling This One War Demanding One Strategy

A plea for unity of purpose and action among the United Nations in their conduct of the war and a tribute to the gallantry of our allies were delivered on Nov. 10 by Lewis W. Douglas, Deputy Administrator of the War Shipping Administration and President of the Mutual Life Insurance Co. of New York, at a meeting of the American Academy of Political Science at the Hotel Astor, New York City. "This is one war," said Mr. Douglas, "demanding one strategy. It does not permit of solitary ventures that sap our combined and united strength, impair our capacity to strike, and postpone the day when peace shall come once more." Mr. Douglas added:

"This is one war. The combined expedition into Africa commits us beyond recall to the proposition that to fight it as several wars, to be indifferent to the power of the combined resources of our partners and ourselves, would needlessly sacrifice countless numbers of brave young lives. This war demands one strategy, one combined strength, one united effort, by all the United Nations."

Mr. Douglas also said that to forget the valor and accomplishments of our allies is to do "what Hitler and his minions of deception would have us do." Saying that we owe an inestimable debt to our gallant partners, Mr. Douglas said, "Longer than any of us, the Chinese, driven inland from their shores, have been miraculously carrying on with little more than their bare hands the struggle against the armies of Japan. Their determination to fight and their courage in continuing to fight have given us in the more western parts of the world a certain freedom of action that we would not otherwise possess." Mr. Douglas likewise said:

"We are rightly humble before the unfailing heroism of those people who, under many flags in Europe, are secretly and unafraid carrying on their dangerous work of organizing against the day when hope of liberation from an unconscionable tyranny will be translated into reality.

"We can never reckon the full contribution of those gallant fighting Russians, who believed that death itself was better than surrender. It was their unflagging determination to maintain intact an organized military force, and their grim and desperate stubbornness against overwhelming odds that diverted German armies from the West to the East, and thus snatched for us that precious period of time in which to muster the combined allied resources of production and men, and so deliver telling blows against the enemy before it was too late. Were it not for the unfaltering faith that stood off all the hordes of Hitler across the vast expanse of Russia, we would not now be landing on the shores of Africa and penning up the Axis powers in Europe.

"Of the British Commonwealth and England our prodded memories must lead us to say, 'They gave us and Russia a chance to fight.'"

Youth Must Replenish Intellectual Vigor Of Stricken Nations, Declares Roosevelt

President Roosevelt declared on Nov. 12 that the practical task for the young people of all countries is that they "must replenish the intellectual vigor of stricken lands" and "must help create that better world toward which we strive."

The Office of War Information released a letter from the President to Mrs. Eliot D. Pratt, General Secretary of the International Student Service, in which he approved the selection by this group of Nov. 17 as the day to honor the Czechoslovak students and teachers tortured and killed three years ago.

The President's letter as given in Washington advices to the New York "Times" follows:

"The International Student Assembly has chosen this day to honor the students and professors tortured and killed in Czechoslovakia three years ago.

"On that day, Nov. 17, 1939, there was committed the first of a series of organized massacres designed with calculated savagery to stamp out all present or future leaders of a great and democratic republic.

"In their cold fury the despoilers of Czechoslovakia forgot that the streets of Prague and the halls of the proud university for centuries have echoed the voices of men willing to die rather than believe and teach according to patterns their conscience could not accept.

"We know that the earth thrown over the bodies of the martyred students and teachers did not stifle the will of liberty, and that the noise of machine guns did not drown the voices which still demand the right of a people to determine how it shall think and live.

"These are principles which will continue to inspire the youth of every land. They have been the dreams and projects of students through the ages, but in the victory now to be won and the peace to be secured there is a practical task for the young people of all countries.

"In their cooperation they have a special mission. They must know that there are in the world great regions where a whole generation of young men and women have been destroyed by the ravages of war or debased by a crooked and ungodly tyranny.

"From the vast reserves of a courageous and enthusiastic youth they must replenish the intellectual vigor of stricken lands, and with the clear eye and the firm hand of youth they must help create that better world toward which we strive."

Congratulates Eisenhower

President Roosevelt on Nov. 14 sent a message of congratulations to Lieut.-Gen. Dwight D. Eisenhower, Allied Commander-in-Chief of the North African expeditionary forces, for "the highly successful accomplishment of a most difficult task."

The message said:

"Eisenhower:

"Both personally and on behalf of the American people, I send sincere congratulations to you and every member of your command on the highly successful accomplishment of a most difficult task.

"Our occupation of North Africa has caused a wave of reassurance throughout the nation, not only because of the skill and dash with which the first phase of an extremely difficult task has been executed, but even more because of the evident perfection of the cooperation between the British and American forces. Give my personal thanks to Admiral Cunningham and the other British leaders for their vital and skillful assistance, without which the operation could not have been undertaken.

"FRANKLIN D. ROOSEVELT."

President Declares Philippine Government A Pattern For Future Of Other Small Nations

President Roosevelt declared on Nov. 15, in a radio address commemorating the seventh anniversary of the Commonwealth of the Philippines, that the history of the islands "provides in a very real sense a pattern for the future of other small nations and peoples of the world." Such a pattern, the President said, involves "a period of preparation" and "a period of training for ultimate independent sovereignty" and "is essentially a part and parcel of the philosophy and the ideals of the United Nations." President Roosevelt alluded to the fact that he and President Quezon have "agreed to set up a joint commission of our two countries to study the economic situations which will face the nation which is soon to be, and to work out means of preserving its stability and above all, its security." This, he characterized as a "realistic symbol of our grim determination and of our supreme confidence that we shall drive the Japanese Army out of the Philippines—to the last man."

Mr. Roosevelt was one of three Presidents taking part in the radio program which was carried to the nation by the four major networks and to the world by shortwave. The others were President Manuel L. Quezon of the Philippines and President Manuel Avila Camacho of Mexico.

As part of the celebration, President Quezon presented to President Roosevelt for the United States Coast Guard the patrol vessel Bataan "as a token of undying Filipino determination to fight under your command until the war is won." The vessel, formerly the yacht owned by J. M. Elizalde, Resident Commissioner of the Philippines, will be manned by Filipino officers and sailors who are now regular members of the Coast Guard Reserve.

In accepting the Bataan, Mr. Roosevelt said he did so, "not only as a token, but as a valuable aid in our common effort."

The text of President Roosevelt's address follows:

"Though the alien flag of a treacherous aggressor flies temporarily over the Commonwealth of the Philippines, it is with supreme confidence in ultimate victory that the United Nations commemorate this birthday of its youngest member.

"It was just seven years ago that this commonwealth was established. By that time the United States had maintained sovereignty of the Philippine Islands for almost 40 years. But as I said in 1935 when the present commonwealth was inaugurated: 'The acceptance of sovereignty was but an obligation to serve the people of the Philippines until the day when they might themselves be independent and take their own place among the nations of the world.'

"Let me go back to the days when Admiral Dewey won the Battle of Manila Bay, and American sovereignty was established over the islands. To a very large part of the American people it seemed incongruous and unwise that the United States should continue a colonial status over many millions of human beings who had already shown a desire for independence.

"However, the United States and the leaders of the Filipino people soon undertook a longtime process of providing facilities in the islands for education, health, commerce and transportation, with the definite thought that the day would come when the people would be able to stand on their own feet. At the same time, we granted them a greater and greater degree of local self-government.

"By the year 1934 sympathetic conferences between Philippine and American leaders reached the conclusion that the time for complete independence could be definitely set—to follow a ten-year period of complete local autonomy under a commonwealth form of government with its own constitution.

"This status was duly set up in 1935 under the Presidency of my old friend, Manuel Quezon. It succeeded so well that by Dec. 7, 1941, we were jointly at work preparing for the consummation of complete independence in 1946. Both nations and peoples had kept faith with each other during all these years. Confidence in each other's good faith was firmly established—and it was cemented into place during the bitter months of ordeal which followed the treachery of Japan.

"The brave peoples of the Philippines—their army and their civilians—stood shoulder to shoulder with the Americans in the fight against overwhelming odds—resolute to shed their blood in defense of their liberty. Richly do they deserve that liberty!

"I like to think that the history of the Philippine Islands in the last 44 years provides in a very real sense a pattern for the future of other small nations and peoples of the world. It is a pattern of what men of good will look forward to in the future—a pattern of global civilization which recognizes no limitations of religion or of creed or of race.

"But we must remember that such a pattern is based on two important factors. The first is that there be a period of preparation, through the dissemination of education and the recognition and fulfillment of physical and social and economic needs. The second is that there be a period of training for ultimate independent sovereignty, through the practice of more and more self-government, beginning with local government and passing on through the various steps to complete statehood.

"Even we in the United States did not arrive at full national independence until we had gone through the preliminary stages. The town meetings in the New England colonies, and the similar local organizations in other colonies, gradually led to county government and then to state government. That whole process of political training and development preceded the final formation of the permanent Federal government in 1789.

"Such training for independence is essential to the stability of independence in almost every part of the world. Some peoples need more intensive training and longer years; others require far less training and a shorter period of time.

"The recent history of the Philippines has been one of national cooperation and adjustment and development. We are sure now, if ever we doubted, that our government chose the right course.

"The pattern which was followed there is essentially a part and parcel of the philosophy and the ideals of the United Nations. The doctrine which controls the ambitions and directs the ruthlessness of our enemies—that there is one master folk destined to rule all other people—is a doctrine now on its way to destruction for all time to come.

"The United States and the Philippines are already engaged in examining the practical economic problems of the future—when President Quezon and his government are re-established in the capital of Manila. He and I, in conference last week, agreed to set up a joint commission of our two countries, to study the economic situation which will face the nation which is soon to be, and to work out means of preserving its stability and security.

"This typifies the highest form of good faith, which now exists between our two governments.

"It is more than that. It is a realistic symbol of our grim determination and of our supreme confidence that we shall drive the Japanese Army out of the Philippines—to the last man.

"President Quezon—on this auspicious anniversary—I salute, through you, the people of the Philippine Islands. I salute their courage. I salute their independence."

Forecasts Money And Credit Rationing

(Continued from first page)

should likewise be devoted to war. The diversion of goods and services from private to public use has its counterpart in the need to divert a comparable portion of purchasing power from private to public use. The material and financial sides are complementary parts of the same problem."

Discussing the financing of the war through taxation, Comptroller Delano said:

"By and large we who fight the war must likewise pay for the war. No financial sleight-of-hand can alter this basic fact. We can not wave a wand and transfer goods and services from the future to the present; and no transfer to the future of debts incurred in the present can reduce an iota the sacrifices in goods and services we must make today.

"The recognition of this fundamental economic truth requires that we raise as large a proportion of the costs of the war as we can from taxes. Taxes may not cut with the precision of a surgeon's knife; nevertheless they are the best instrument we have for distributing the costs of war consciously, deliberately, equitably.

"Since the beginning of the war, we have increased tremendously the burden of taxes. Taxes were increased twice in 1940, again in late 1941, and again in 1942. Our total tax revenue will aggregate about $21,000,000,000 this fiscal year. Although this is nearly four times our revenue in fiscal year 1940, it is only about one-fourth of our expenditures in this fiscal year. While tax revenue contributed 66% of total Federal income in fiscal 1940, it will contribute only 25% in 1942. Generally speaking, we must pay for the war in the present; it follows, therefore, that we can pay for the war in the present. The ideal method would be to pay for it as fast as we spend for it—entirely through taxes.

"From the practical point of view we know, however, that it would involve unbearable hardships to finance the war entirely from taxes. It would require that taxes from 1941 to 1943 be increased tenfold. This would dislocate many sections of the economy, affect adversely both the incentives and motivations of individuals and firms, drain industry of vital depreciation reserves, and impose great hardships on people who would bear sacrifice willingly, even gladly, could they trade their tax receipt for a savings bond. As a practical matter, therefore, we must borrow as well as tax.

"It is imperative, however, that we borrow as much as possible from the people, not from the banks; from the current income stream, not from accumulated savings and credit-creating sources.

* * *

"The sale of War Savings Bonds, I am happy to report, has increased substantially in recent months. While approximately $6,000,000,000 of the E, F, and G issues were sold in fiscal 1942, we have every reason to believe that the quota of $12,000,000,000 for the current fiscal year will not only be reached but exceeded. Especially gratifying has been the increase in sales of the E bonds, the so-called 'people's bond,' and the growing number of participating firms and individuals in payroll savings plans."

Referring to the "necessity of raising funds through commercial banks," Mr. Delano said, "we are confronted by several problems. The deepest and most fundamental is, of course," he indicated, "that of inflation." "Such borrowing," he said, "is not necessarily inflationary in character." In his further remarks, Mr. Delano took occasion to refer to criticism by some bank examiners as to bond portfolios which include maturities longer than five years and we quote as follows what he had to say with regard thereto:

"Genuine savings that flow into the commercial banks will provide an offset to credit-creation for government account; and the expansion in deposit-liabilities for government account will no doubt be partially offset by a corresponding contraction induced by debt repayment. By and large, however, a great deal of the borrowing will be avowedly inflationary in character—a net addition to the total of purchasing power already in existence.

"For the purpose of this discussion, it must suffice to say that the government will apply the administrative techniques of price control and rationing to counteract this potential inflationary effect of the increased borrowings. How to apply such controls and the extent of them are questions of the utmost gravity and importance. We can not hope to discuss them here.

"But there are two strictly banking questions arising out of this same problem of government borrowings from the banks which fall within your supervisory province and mine, and concerning which we must have opinions and policies. I refer to the questions of the character of the credit which should be extended by the banks to the government, and also that old bogey of capital ratio, bound to be distorted now that we are of necessity greatly increasing deposit liabilities without a commensurate building up of capital accounts.

"In relation to the first question, that of the character of the credit to be extended by the banks to the government, a report has recently reached the Treasury to the effect that some bank examiners are criticising bond portfolios which include maturities longer than five years. This criticism is reported to extend even to government securities. So far as the Comptroller's office and its examining staff are concerned, no such opinions are held. We believe strongly in the validity of all government paper, and while the Treasury, as you know, has of late been limiting its offerings of securities eligible for commercial bank investment to a 10-year maturity, national bank examiners are not critical of any government securities in banks' portfolios, whatever their maturity. I feel certain you gentlemen agree with us.

"It seems superfluous once again to discuss the question of capital ratios in the light of the present emergency, but at the risk of boring you I am going to reiterate what has been constantly said by my office, that it is the nature and quality of assets rather than any fixed ratio which determines the adequacy and protection afforded by the capital structure. Capital ratios themselves are of secondary importance, and the determination of the soundness of bank operation rests upon factors more fundamental and important.

"This does not mean the Comptroller of the Currency will ever look with complacence upon banks whose capital protection is out of line because assets are frozen or are of questionable value. But it does mean that ratios themselves are not a conclusive criterion and that no bank should be deterred from playing its part in our financial organization for war simply because it happens to have a ratio greater than one to 10."

Urges Leasing Homes For War Workers

Besides private home owners, financial institutions in Illinois and Wisconsin have an outstanding opportunity to help the Government provide the desperately needed housing for workers in war industries, A. R. Gardner, President of the Federal Home Loan Bank of Chicago, declared on his recent return from Washington, where he was called to meet with national housing and home-financing authorities. "The unused space in America's homes and other buildings constitutes a 'strategic reserve' which must be thrown into the struggle now to create additional living units in most of the large industrial centers of the country," said Mr. Gardner. "Unless these dwellings are provided rapidly our vital war production will suffer. The Government has offered to take over such properties for the duration of the war at an attractive rental and remodel them to create more living quarters for war workers and their families. Savings and loan associations, banks, insurance companies, and other financial institutions—which own houses—are likewise invited to turn such properties over to the Government for the emergency. Since their holdings of real estate throughout the country amount to nearly $1,400,000,000 in valuation, these institutions are counted on to fill a large portion of the gap. In the face of the shortage of critical materials, time and construction labor, the gravity of this problem cannot be exaggerated."

In Washington for the semi-annual conference of presidents of the 12 Federal Home Loan Banks, Mr. Gardner met with John B. Blandford, Jr., Administrator of the National Housing Agency; John H. Fahey, Commissioner of the Federal Home Loan Bank Administration, and other officials.

The new War Housing Program of voluntarily leasing homes to Uncle Sam was explained by Frank Bane, Assistant Administrator of the NHA in charge of Homes Use Service, the unit set up to lease and convert the properties.

Waibel To Aid Chicago Victory Fund Group

As part of the plans for implementing the campaign to help the United States Treasury sell the largest volume of securities ever offered by any government, C. S. Young, President of the Federal Reserve Bank of Chicago, on Nov. 16 appointed J. K. Waibel, Director of Education for the Seventh (Chicago) District Victory Fund Committee. Mr. Waibel, who is advertising counsel for the Continental Illinois National Bank & Trust Co. of Chicago, has been granted a leave of absence in order to devote his full time to the present drive. He will have offices in the Victory Fund Committee headquarters at the Federal Reserve Bank; he will be associated with Francis F. Patton and Nathan D. McClure, managers of the Committee. In his announcement, Mr. Young said:

"The American people are going to be called upon to absorb a tremendous volume of Treasury securities in order to finance the war, and it is the particular job of the Victory Fund Committees to work with the United States Treasury in securing as much as possible of the money out of current income of individuals and corporations in order to minimize the inflationary aspects of huge Treasury spending."

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†
(Based on Average Yields)

1942— Daily Averages	U. S. Govt. Bonds	Avge. Corporate rate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Nov. 24	117.06	107.44	117.00	114.27	108.88	92.20	96.85	112.00	114.66
23	117.21	107.44	117.00	114.27	108.88	92.35	97.00	112.00	114.66
21	117.24	107.44	117.00	114.27	108.70	92.50	97.00	112.00	114.66
20	117.30	107.44	117.00	114.27	108.70	92.50	97.00	112.00	114.66
19	117.36	107.44	117.00	114.27	108.70	92.50	97.00	112.00	114.66
18	117.36	107.44	117.00	114.27	108.88	92.35	97.00	112.00	114.66
17	117.36	107.62	117.20	114.08	108.88	92.50	97.16	112.00	114.66
16	117.36	107.44	117.20	114.08	108.70	92.50	97.16	112.00	114.66
14	117.36	107.62	117.20	114.27	108.70	92.50	97.16	112.00	114.66
13	117.36	107.62	117.20	114.27	108.70	92.50	97.16	112.19	114.46
12	117.36	107.62	117.20	114.27	108.70	92.50	97.16	112.00	114.46
11				Exchange Closed					
10	117.36	107.62	117.20	114.08	108.70	92.64	97.16	112.00	114.46
9	117.36	107.62	117.20	114.08	108.70	92.64	97.31	112.00	114.27
7	117.36	107.62	117.00	114.27	108.70	92.64	97.31	112.00	114.27
6	117.36	107.62	117.20	114.27	108.70	92.64	97.47	112.00	114.46
5	117.38	107.62	117.00	114.27	108.70	92.64	97.31	112.00	114.27
4	117.38	107.44	117.00	114.08	108.70	92.64	97.31	112.00	114.27
3				Exchange Closed					
2	117.38	107.62	117.20	114.27	108.70	92.64	97.31	112.00	114.27
Oct 30	117.38	107.44	117.00	114.08	108.70	92.50	97.31	112.00	114.27
23	117.38	107.44	117.00	114.08	108.70	92.50	97.31	111.81	114.27
16	117.37	107.44	117.00	114.08	108.70	92.50	97.31	111.81	114.46
9	117.38	107.44	117.20	114.08	108.70	92.50	97.31	111.81	114.46
2	117.39	107.27	117.00	113.89	108.52	92.35	97.16	111.81	114.27
Sep 25	117.51	107.27	117.00	113.89	108.70	92.06	97.00	111.62	114.08
18	117.62	107.27	117.00	113.70	108.52	92.06	96.85	111.81	114.08
11	117.75	107.09	116.80	113.50	108.34	92.06	96.69	111.81	113.89
4	117.80	107.09	117.00	113.31	108.34	92.06	96.54	111.62	114.08
Aug. 28	117.85	106.92	116.80	113.31	108.16	92.06	96.54	111.62	114.08
21	117.93	106.92	116.80	113.31	108.16	92.06	96.38	111.44	114.08
14	117.92	106.92	116.80	113.31	108.16	91.91	96.23	111.44	114.08
7	117.97	106.92	116.61	113.12	108.16	91.91	96.23	111.44	114.27
July 31	118.11	106.92	116.41	113.50	108.16	91.77	96.07	111.44	114.27
24	118.22	106.74	116.61	113.31	107.98	91.77	95.92	111.62	114.08
17	118.22	106.74	116.41	113.12	107.98	91.62	95.77	111.44	114.27
10	118.26	106.74	116.41	113.31	107.80	91.62	95.77	111.25	114.08
3	118.09	106.56	116.22	113.12	107.98	91.34	95.77	111.25	113.89
June 26	118.14	106.39	116.22	112.93	107.80	91.05	95.47	110.88	113.89
May 29	118.35	106.39	116.02	112.93	107.44	91.77	96.07	110.70	113.70
Apr. 24	117.80	106.74	116.22	113.12	107.62	92.06	96.69	110.70	113.70
Mar. 27	118.20	106.74	116.22	113.50	107.62	91.91	97.00	110.34	113.50
Feb. 27	116.34	106.39	115.63	113.31	107.62	91.62	96.85	110.15	113.31
Jan. 30	117.08	106.92	116.22	113.70	107 80	92.06	97.31	110.52	113.70
High 1942	118.41	107.62	117.20	114.27	108.88	92.64	97.47	112.19	114.66
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
High 1941	120.05	108.52	118.60	116.02	109.60	92.50	97.78	112.56	116.41
Low 1941	115.89	105.52	116.22	112.00	106.04	89.23	95.62	109.42	111.62
1 Year ago									
Nov. 24, 1941	119.97	108.16	118.60	115.82	109.60	91.77	97.47	112.56	116.02
2 Years ago									
Nov. 23, 1940	118.67	106.21	118.40	114.27	106.21	89.23	95.16	110.70	113.89

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

1942— Daily Averages	U. S. Govt. Bonds	Avge. Corporate rate	Corporate by Ratings Aaa	Aa	A	Baa	Corporate by Groups R. R.	P. U.	Indus.
Nov. 24	2.07	3.31	2.80	2.94	3.23	4.26	3.95	3.06	2.92
23	2.06	3.31	2.80	2.94	3.23	4.25	3.94	3.06	2.92
21	2.06	3.31	2.80	2.94	3.24	4.24	3.94	3.06	2.92
20	2.06	3.31	2.80	2.94	3.24	4.24	3.94	3.06	2.92
19	2.05	3.31	2.80	2.94	3.24	4.24	3.94	3.06	2.92
18	2.05	3.31	2.80	2.94	3.23	4.25	3.94	3.06	2.92
17	2.05	3.30	2.79	2.95	3.23	4.24	3.93	3.06	2.92
16	2.05	3.31	2.79	2.95	3.24	4.24	3.93	3.06	2.92
14	2.05	3.30	2.79	2.94	3.24	4.24	3.93	3.06	2.92
13	2.05	3.30	2.79	2.94	3.24	4.24	3.93	3.05	2.93
12	2.05	3.30	2.79	2.94	3.24	4.24	3.93	3.06	2.93
11				Exchange Closed					
10	2.05	3.30	2.79	2.95	3.24	4.23	3.93	3.06	2.93
9	2.05	3.30	2.79	2.95	3.24	4.23	3.92	3.06	2.94
7	2.05	3.30	2.80	2.94	3.24	4.23	3.92	3.06	2.94
6	2.05	3.30	2.79	2.94	3.24	4.23	3.91	3.06	2.93
5	2.05	3.30	2.80	2.94	3.24	4.23	3.92	3.06	2.94
4	2.05	3.31	2.80	2.95	3.24	4.23	3.92	3.06	2.94
3				Exchange Closed					
2	2.05	3.30	2.79	2.94	3.24	4.23	3.92	3.06	2.94
Oct 30	2.05	3.31	2.80	2.95	3.24	4.24	3.92	3.06	2.94
23	2.05	3.31	2.80	2.95	3.24	4.24	3.92	3.07	2.94
16	2.05	3.31	2.80	2.95	3.24	4.24	3.92	3.07	2.93
9	2.05	3.31	2.79	2.95	3.24	4.24	3.92	3.07	2.93
2	2.05	3.32	2.80	2.96	3.25	4.25	3.93	3.07	2.94
Sep 25	2.04	3.32	2.80	2.96	3.24	4.27	3.94	3.08	2.95
18	2.03	3.32	2.80	2.97	3.25	4.27	3.95	3.07	2.95
11	2.03	3.33	2.81	2.98	3.26	4.27	3.96	3.07	2.96
4	2.03	3.33	2.80	2.99	3.26	4.27	3.97	3.08	2.95
Aug 28	2.03	3.34	2.81	2.99	3.27	4.27	3.97	3.08	2.95
21	2.02	3.34	2.81	2.99	3.27	4.27	3.98	3.09	2.95
14	2.02	3.34	2.81	2.99	3.27	4.28	3.99	3.09	2.95
7	2.02	3.34	2.82	3.00	3.27	4.28	3.99	3.09	2.94
July 31	2.01	3.34	2.83	2.98	3.27	4.29	4.00	3.09	2.94
24	2.00	3.35	2.82	2.99	3.28	4.29	4.01	3.08	2.95
17	1.99	3,35	2.83	3.00	3.28	4.30	4.02	3.09	2.94
10	1.98	3.35	2.83	2.99	3.29	4.30	4.02	3.10	2.95
3	1.98	3.36	2.84	3.00	3.28	4.32	4.02	3.10	2.96
June 26	1.96	3.37	2.84	3.01	3.29	4.34	4.04	3.12	2.96
May 29	1.95	3.37	2.85	3.01	3.31	4.29	4.00	3.13	2.97
Apr. 24	1.99	3.35	2.84	3.00	3.30	4.27	3.96	3.13	2.97
Mar 27	1.96	3.35	2.84	2.98	3.30	4.28	3.94	3.15	2.98
Feb 27	2.11	3.37	2.87	2.99	3.30	4.30	3.95	3.16	2.99
Jan. 30	2.05	3.34	2.84	2.97	3.29	4.27	3.92	3.14	2.97
High 1942	2.14	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	1.93	3.30	2.79	2.94	3.23	4.23	3.91	3.05	2.92
High 1941	2.13	3.42	2.86	3.06	3.39	4.47	4.03	3.20	3.08
Low 1941	1.84	3.25	2.72	2.85	3.19	4.24	3.89	3.03	2.83
1 Year ago									
Nov. 24, 1941	1.85	3.27	2.72	2.86	3.19	4.29	3.91	3.03	2.85
2 Years ago									
Nov. 23, 1940	1.94	3.38	2.73	2.94	3.38	4.47	4.06	3.13	2.96

*These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages the latter being the true picture of the bond market.

†The latest complete list of bonds used in computing these indexes was published in the issue of Sept. 17, 1942, page 995.

Electric Output For Week Ended Nov. 21, 1942 Shows 16.9% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Nov. 21, 1942, was 3,795,361,000 kwh., which compares with 3,247,938,000 kwh. in the corresponding week last year, an increase of 16.9%. The output for the week ended Nov. 14, 1942, was 12.8% in excess of the similar period in 1941.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended Nov. 21	Nov. 14	Nov. 7	Oct. 31
New England	10.6	6.0	2.4	0.8
Middle Atlantic	9.8	6.4	4.7	4.5
Central Industrial	14.2	7.7	6.9	6.8
West Central	12.9	11.5	10.4	8.9
Southern States	25.8	22.6	20.0	19.9
Rocky Mountain	11.8	11.4	9.7	8.8
Pacific Coast	27.8	26.0	28.8	31.2
Total United States	16.9	12.8	11.7	11.7

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1942	1941	% Change 1942 over 1941	1940	1932	1929
Aug 1	3,649,146	3,263,082	+11.8	2,762,240	1,426,986	1,724,728
Aug 8	3,637,070	3,233,242	+12.5	2.743,284	1,415,122	1,729,667
Aug 15	3,654,795	3,238,160	+12.9	2,745,697	1,431,910	1,733,110
Aug 22	3,673,717	3,230,750	+13.7	2,714,193	1,436,440	1,750,056
Aug 29	3,639,961	3,261,149	+11.6	2,736,224	1,464,700	1,761,594
Sep 5	3,672,921	3,132,954	+12.4	2.591,957	1,423,977	1,674,588
Sep 12	3,583,408	3,222,346		2,773,177	1,476,442	1,806,259
Sep 19	3,756,922	3,273,375	+14.8	2,769,346	1,490,863	1,792,131
Sep 26	3,720,254	3,273,376	+13.7	2,816,358	1,499,459	1,777,854
Oct 3	3,682,794	3,330,582	+10.6	2,792,067	1,506,219	1,819,276
Oct 10	3,702,299	3,355,440	+10.3	2,817,465	1,507,503	1,806,403
Oct 17	3,717,360	3,313,596	+12.2	2,837,730	1,528,145	1,798,633
Oct 24	3,752,571	3,340,768	+12.3	2,866,827	1,533,028	1,824,160
Oct 31	3,774,891	3,380,488	+11.7	2,882,137	1,525,410	1,815,749
Nov 7	3,761,961	3,368,690	+11.7	2,858,054	1,520,730	1,798,164
Nov 14	3,775,878	3,347,893	+12.8	2,889,937	1,531,584	1,793,584
Nov 21	3,795,361	3,247,938	+16.9	2,839,421	1,475,268	1,818,169
Nov 28		3,339,364		2,931,877	1,510,337	1,718,002

Steel Operations Off Slightly—Production Schedules Of War Materials Being Readjusted

"Volume cnanges in weapons being produced for the American armed forces and their allies were reported this week all along the home production front," according to "The Iron Age" in its issue of today (Nov. 26), which further adds in part: "Airplanes and ships are now at the top of industry's 'must list' and will get the green light in every case where there is a conflict for materials and equipment between those items and other weapons now likely to play a less important role in American war strategy.

"That more ships, planes and bombs are going to be made in 1943 than had been originally planned was disclosed early this week. The shift in production emphasis, marked by decreases in programs for manufacturing tanks, small arms ammunition, and other ordnance items, may become more marked as soon as the showdown fight over control of production is settled.

"The merchant shipping program for 1943 is being revised upward from 16,000,000 deadweight tons to 18,000,000 or 20,000,000 tons.

"For the war plane industry, the WPB has opened the way for manufacturers to obtain any and all machine tool equipment needed to speed plane production. This was done through amendments to the priority order E-1-b. Already the amendments have caused some cancellations of machine tool orders by manufacturers other than aircraft materials. But the airplane speedup, in which the 1943 goal will be double that of 1942, evidently does not include airborne freight carriers. Cancellation by the Government of Nash-Kelvinator's contract to build flying boats on the Gulf Cast was spectacular evidence of changes in war strategy, suggesting a growing belief that waterborne vessels (enough of them) can do the job in this war.

"Coming close upon the heels of successes in Africa and the Pacific, readjustment of production schedules of war material is particularly noticeable in the Chicago area. There several plants recently completed have received stop orders and individual contracts for a number of items such as shells, shell parts and tank parts have either been cancelled or reduced.

"Attainment of the selective stage in war implement production is bound to have an effect on steel production. As long as emphasis is on certain strategic products such as plates, bars and munition steel, production will remain lower in such items as tin plate, wire, shapes and reinforcing bars. This creates the possibility that at certain periods in the next half year more steel may be available for essential civilian needs."

The American Iron and Steel Institute on Nov. 23 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 98.3% of capacity for the week beginning Nov. 23, compared with 98.7% one week ago, 101.1% one month ago and 95.9% one year ago. This represents a decrease of 0.4 point, or 0.4% from the preceding week. The operating rate for the week beginning Nov. 23 is equivalent to 1,681,600 tons of steel ingots and castings, compared to 1,688,400 tons one week ago, 1,729,500 tons one month ago, and 1,585,400 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Nov. 23 stated in part: "The easier situation in steel which has developed in recent weeks as a result of limitation orders and balanced production schedules continues to be noted. At the same time it has not developed to the stage of a surplus. Bars and alloy steels continue as difficult to obtain as ever. By diverting semi-finished steel from structural shapes and tin plate, however, the supply situation in bars is much better.

"In the meantime stocks are in better balance but still have a considerable way to go. Quantities in idle or frozen inventories are large and will help ease the supply. Lower demand for ingots and semi-finished steel for lend-lease is a factor, as well as some reduction in certain ordnance programs. Tension has been lessened by all these considerations.

"Orders are being placed more cautiously in view of the easier overall situation and in many cases this is to restrict inventories, some plate consumers asking that plate shipments be stopped for the remainder of the year. Another reason for caution is experience of PRP consumers in obtaining steel for the current quarter, quotas being cut or ratings lowered. They are inclined to wait until they know their position for next quarter. Indications are that this information will be available earlier than for the current quarter.

"Deliveries of steel not under allocation or directive have undergone little change recently.

"While tonnage of scrap resulting from the household drive has tended to shrink from the figures claimed by various localities the fact is that proceeds of that effort and other salvage campaigns have stimulated outflow and the situation is decidedly easier. For current needs tonnage is ample and sufficient reserves are being accumulated by some melters to see them through the remainder of the year. The next squeeze is expected to come in first quarter unless results of industrial drives continue flow of dormant material. Apparently the widespread effort to get out household accumulations has created a scrap consciousness that is still paying dividends.

"Each month during the current navigation season a new record for iron ore shipments has been set, exceeding the best performance for the month in prior years. Most of the former records were set in 1941 when war needs stimulated the trade.

"Pig iron production in October has been announced by the American Iron and Steel Institute as 5,236,608 net tons, including ferromanganese and spiegeleisen. Cumulative tonnage for the ten months is given as 49.665,163 tons. This exceeds the full production for 12 months in all prior years except 1941 and is larger than 11 months' output that year. The October total is larger than for any month before 1942."

R. J. Murray Heads Cotton Exchange Bureau

Robert J. Murray, President of the New York Cotton Exchange, announced on Nov. 9 the appointment by the Board of Managers of Elmer S. Bonner as Director of the New York Cotton Exchange Service Bureau. Mr. Bonner has been with the Exchange Service Bureau over 12 years and served as assistant to Alston H. Garside, former Economist of the Exchange. Mr. Bonner writes the Weekly Trade Reports and supervises the issuance of the Basic Data Service and the New York Cotton Exchange Year Book. Mr. Murray, in commenting on the appointment of Mr. Bonner, said:

"This appointment marks the first public step in plans now in formation to augment and make more generally available to the entire cotton industry the valuable data published by the Exchange Service Bureau. This is not only another step in the public interest, it is something that should prove of value to the entire trade in assisting to coordinate further its war efforts."

Moody's Daily Commodity Index

Tuesday, Nov. 7	231.3
Wednesday, Nov. 18	231.3
Thursday, Nov. 19	231.2
Friday, Nov. 20	230.6
Saturday, Nov. 21	230.3
Monday, Nov. 23	229.7
Tuesday, Nov. 24	230.4
Two weeks ago, Nov. 10	232.9
Month ago, Oct. 24	232.4
Year ago, Nov. 24	208.[illegible]
1941 High, Sept. 9	219.9
Low, Feb. 17	171.6
1942 High, Oct. 3	236.4
Low, Jan. 2	220.0

October Department Store Sales In New York Federal Reserve District 16% Above Year Ago

The Federal Reserve Bank of New York announced on Nov. 19 that October sales of department stores in the Second (New York) Federal Reserve District increased 16% over a year ago. The combined sales for January through October are 7% higher than in the same period last year and stocks of merchandise on hand in department stores at the end of October were 22% above October, 1941.

The apparel stores in the New York Reserve District reported a gain of 16% in net sales in October. Their stocks on hand at the close of the month were 8% above last year.

The following is the bank's tabulation:

DEPARTMENT STORE TRADE BY MAJOR LOCALITIES: OCTOBER, 1942
Second Federal Reserve District

	Percentage Changes from a Year Ago		
	Net Sales		
Department Stores—	October	January through October	Stock on Hand End of Month
New York City	+18	+ 6	+26
Northern New Jersey	+ 6	+ 4	+19
Newark	+ 9	+ 6	+21
Westchester and Fairfield Counties	+20	+12	+ 9
Bridgeport	+21	+14	+ 9
Lower Hudson River Valley	+15	+ 4	+ 1
Poughkeepsie	+17	+ 7	--
Upper Hudson River Valley	+ 8	— 1	— 3
Albany	— 1	— 8	--
Central New York State	+22	+12	+11
Mohawk River Valley	+38	+25	+36
Syracuse	+17	+ 8	+ 4
*Northern New York State	+ 9	— 5	--
*Southern New York State	+17	+ 9	+15
Binghamton	+15	+ 6	--
Elmira	+10	+12	--
Western New York State	+18	+12	+17
Buffalo	+21	+13	+18
Niagara Falls	+41	+35	+11
Rochester	+13	+ 9	+16
*All department stores	+16	+ 7	+22
*Apparel stores	+16	+ 6	+ 8

*Subject to possible revision.

Five Saturdays, 1942; four Saturdays, 1941.

INDEXES OF DEPARTMENT STORE SALES AND STOCKS
Second Federal Reserve District
[1923-25 average = 100]

	1941	1942		
	October	August	September	Occtober
Sales (average daily), unadjusted	112	93	120	130
Sales (average daily), seasonally adjusted	†99	123	112	115
Stocks, unadjusted	128	162	161	158
†Stocks, seasonally adjusted	116	165	156	145

†Revised.

Engineering Construction Gains 56% Over Week Last Year

Engineering construction volume for the week totals $100,060,000, an increase of 56% over the corresponding week last year, but 67% below the near-record volume of last week as reported by "Engineering News-Record" on Nov. 19. Public construction tops a year ago by 92% as a result of the 146% gain in Federal work. It is, however, 68% lower than a week ago, and Federal volume is down 69%. Private construction is 60 and 21% lower, respectively, than a year ago and a week ago. The report added:

The current week's construction brings 1942 volume to $8,866,278,000, an increase of 62% over the corresponding 47-week period last year. Private work, $533,855,000, is 52% below the 1941 period, but public construction climbs 90% due to the 140% gain in Federal work.

Construction volumes for the 1941 week, last week, and the current week are:

	Nov. 20, 1941	Nov. 12, 1942	Nov. 19, 1942
Total Construction	$64,100,000	$304,221,000	$100,060,000
Private Construction	14,983,000	7,599,000	5,971,000
Public Construction	49,117,000	296,622,000	94,089,000
State and Municipal	12,242,000	5,854,000	3,192,000
Federal	36,875,000	290,768,000	90,897,000

In the classified construction groups, gains over last week are in industrial buildings, and earthwork and drainage. Increases over the 1941 week are in waterworks, sewerage, public buildings, and unclassified construction. Subtotals for the week in each class of construction are: waterworks, $1,299,000; sewerage, $1,796,000; bridges, $299,000; industrial buildings, $3,321,000; commercial building and large-scale private housing, $1,600,000; public buildings, $65,715,000; earthwork and drainage, $1,750,000; streets and roads, $4,621,000; and unclassified construction, $19,659,000.

New capital for construction purposes for the week, $613,890,000, compares with $12,686,000 for the week in 1941. This week's financing is made up of $500,000 in corporate security issues, $1,102,000 in State and municipal bond sales, and $612,288,000 in Federal appropriations for construction.

New construction financing for the year to date, $10,201,425,000, is 63% above the $6,258,369,000 reported for the 47-week period in 1941.

National Fertilizer Association Commodity Price Average Registers Fractional Decline

The slowly rising trend in the general level of wholesale commodity prices was halted last week, according to the wholesale price index compiled by The National Fertilizer Association, and made public on Nov. 23, which was fractionally lower. In the week ended Nov. 21, 1942, this index fell off to 130.2 from 130.4 in the preceding week. A month ago the index stood at 129.6 and a year ago at 116.8, based on the 1935-1939 average as 100. The Association's report added:

The slight recession in the all-commodity index during the week was due principally to rather remarked general declines in prices of farm products. Cotton, grains, and livestock quotations were lower—8 important items declined, while only 4 advanced, the net result being a substantial drop in the farm product price average. Industrial commodities were likewise somewhat lower during the week, due to slight declines in miscellaneous commodities and building materials. Characterizing the steady advance in prices of unregulated foods since March 1942, the food price index again advanced to a new high level last week.

During the week, 13 commodities declined and 8 advanced; in the preceding week, there were 15 advances and 3 declines; in the second preceding week there were 12 advances and 2 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled by The National Fertilizer Association
[*1935-1939=100]

% Each Group Bears to the Total Index	Group	Latest Week Nov. 21, 1942	Preceding Week Nov 14, 1942	Month Ago Oct. 17, 1942	Year Ago Nov. 22, 1941
25.3	Foods	134.0	133.3	132.4	113.7
	Fats and Oils	147.0	147.0	145.9	121.8
	Cottonseed Oil	160.0	160.0	156.1	142.5
23.0	Farm Products	142,0	142.9	141.2	117.2
	Cotton	183.5	183.6	179.7	155.9
	Grains	116.4	117.3	112.2	105.0
	Livestock	141.3	142.5	142.1	112.1
17.3	Fuels	119.3	119.3	119.3	113.3
10.8	Miscellaneous commodities	127.3	127.5	126.7	126.1
8.2	Textiles	148.5	148.5	147.7	139.0
7.1	Metals	104.4	104.4	104.4	104.0
6.1	Building materials	151.3	151.4	151.4	131.0
1.3	Chemicals and drugs	120.7	120.7	120.7	112.0
.3	Fertilizer materials	117.5	117.5	117.3	114.8
.3	Fertilizers	115.3	115.3	115.3	109.8
.3	Farm machinery	104.1	104.1	104.1	100.7
100.0	All groups combined	130.2	130.4	129.6	116.8

*Indexes on 1926-1928 base were: Nov. 21, 1942, 101.4; Nov. 14, 101.6; Nov. 22, 1941, 91.0.

Weekly Coal and Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report, states that the total producion of soft coal in the week ended Nov. 14, 1942, is estimated at 11,250,000 net tons, as compared with 11,200,000 tons in the preceding week and 11,622,000 tons in the corresponding period last year. The output of soft coal to date shows an increase of 13.8% over the same period in 1941.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended Nov. 14 was estimated at 1,174,000 tons, an increase of 90,000 tons (8.3%) over the preceding week. When compared with the output in the corresponding week of 1941, there was an increase of 69,000 tons, or 6.2%. The calendar year to date shows a gain of 4.9%.

The U. S. Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended Nov. 14 showed a decrease of 12,200 tons when compared with the output for the week ended Nov. 7. The quantity of coke from beehive ovens decreased 11,100 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL, IN NET TONS WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM (000 OMITTED)

	Week Ended			January 1 to Date		
Bituminous and lignite coal—	Nov. 14, 1942	†Nov. 7, 1942	Nov. 15, 1941	†Nov. 14, 1942	Nov. 15, 1941	Nov. 13, 1937
Total, incl. mine fuel	11,250	11,200	11,622	503,221	442,121	389,394
Daily average	‡1,974	1,867	2,075	1,883	1,660	1,459
*Crude petroleum—						
Coal equivalent of weekly output	6,215	6,148	6,546	281,420	277,422	253,680

*Total barrels produced during the week converted into equivalent coal assuming 6,000,000 B.t.u. per barrel of oil and 13,100 B.t.u per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal (Minerals Yearbook, Review of 1940, page 775). †Revised. ‡Average based on 5.7 days.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE
(In Net Tons)

	Week Ended			Calendar Year to Date		
Penn. anthracite—	§Nov. 14, 1942	Nov. 7, 1942	Nov. 15, 1941	Nov. 14, 1942	Nov. 15, 1941	Nov. 16, 1929
*Total, inc. colliery fuel	1,174,000	1,084,000	1,105,000	52,813,000	50,352,000	63,740,000
†Commercial production	1,127,000	1,041,000	1,050,000	50,241,000	47,834,000	59,151,000
Beehive coke—						
United States total	142,400	153,500	144,700	6,919,600	5,762,100	5,817,200
By-product coke—						
United States total	1,206,700	1,218,900	‡	53,953,600	‡	‡

*Includes washery and dredge coal, and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Comparable data not available. §Subject to revision.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES
(In Thousands of Net Tons)

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

	Week Ended					Nov. avge.
State—	Nov. 7, 1942	Oct. 31, 1942	Nov. 8, 1941	Nov. 9, 1940	Nov. 6, 1937	¶1923
Alaska	5	5	5	3	2	**
Alabama	365	370	353	278	253	409
Arkansas and Oklahoma	85	98	92	73	64	100
Colorado	168	172	174	163	164	236
Georgia and North Carolina	1	††	1	1	1	**
Illinois	1,310	1,315	1,138	1,006	1,094	1,571
Indiana	535	525	503	388	359	536
Iowa	50	48	62	69	80	128
Kansas and Missouri	175	190	165	135	142	175
Kentucky—Eastern	910	980	837	703	803	724
Kentucky—Western	293	270	241	151	168	218
Maryland	32	32	39	30	31	35
Michigan	6	5	9	8	16	26
Montana (bituminous and lignite)	102	108	92	74	78	83
New Mexico	37	38	25	23	29	62
North and South Dakota (lignite)	101	89	109	109	62	**35
Ohio	680	725	715	397	503	764
Pennsylvania (bituminous)	2,490	2,585	2,748	2,548	2,034	2,993
Tennessee	140	144	141	93	118	117
Texas (bituminous and lignite)	8	8	8	9	17	29
Utah	110	120	98	97	96	112
Virginia	395	420	408	258	283	217
Washington	45	50	44	40	42	72
*West Virginia—Southern	2,115	2,255	2,326	1,723	1,814	1,271
†West Virginia—Northern	858	875	869	607	556	776
Wyoming	183	192	159	140	138	184
‡Other Western States	1	1	1	1	††	**5
Total bituminous and lignite	11,200	11,620	11,362	9,127	8,947	10,878
§Pennsylvania anthracite	1,084	1,100	1,090	1,069	1,060	1,896
Total all coal	12,284	12,720	12,452	10,196	10,007	12,774

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona, California, Idaho, Nevada, and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Average weekly rate for entire month. **Alaska, Georgia, North Carolina, and South Dakota included with "other Western States." ††Less than 1,000 tons.

Job Freezing Opposed By Wilson of GM

Opposition to various Government plans under consideration for compulsory mobilization of manpower was recently voiced by C. E. Wilson, President of General Motors Corp. Mr. Wilson, who heads the largest of the armament makers among the former auto manufacturers, said that freezing of war workers to their present jobs or compulsory shifting of them from one plant to another may impair the war production program.

According to United Press advices from Detroit:

" 'Freezing of men to their present jobs or drafting them for work in another factory is easy to talk about,' Mr. Wilson said, 'but it's quite another thing to put into operation. The Government would be wise to avoid any drastic action such as that.

" 'It all right to talk about making men go where they don't want to go and do work that they don't care about, but the big problem is: How are you going to get a man to do a fair day's work when you get him there?

" 'There is no substitute for the right cooperative attitude,' the General Motors President emphasized. 'I'm in favor of an "open labor market" which permits the small percentage of "floaters" to move along when they's dissatisfied. Personally, I don't want anyone working for General Motors who doesn't want to.'

"Mr. Wilson said General Motors is employing approximately 262,000 hourly-rated workers—more than at any time during peacetime operations—and would need an additional 150,000 when it reached peak production on all war contracts.

" 'The way to solve this manpower problem,' he said, 'is to train a lot more people, including women. "Raiding" labor from one plant to another doesn't make more workers. Another thing, you can't win the war on a 40-hour week. You've got to have a longer work week to get full use of the current supply of manpower.' "

October Living Costs Up In Industrial Cities

Living costs for wage earners and lower-salaried clerical workers in October rose in the majority of the 70 cities surveyed each month by the National Industrial Conference Board. In 27 of the cities, the increase recorded was 1.0% or more, the largest being Flint, Mich., which showed an advance of 2.2%. No change occurred in Seattle. The cost of living for the United States as a whole rose 0.9%.

The Board further reported:

"The cost of living was higher this October than in October, 1941, in all cities for which comparable figures are available. The largest increase, 11.5% was shown in Toledo and the smallest, 5.6% in Newark. For the United States as a whole, living costs advanced 8.2% during the 12 months and since January, 1941, an increase of 15.7% is recorded."

Interest On Panama 5s

The National City Bank of New York, as fiscal agent, is notifying holders of Republic of Panama 35-year 5% external secured sinking fund gold bonds, series A, due May 15, 1963, that funds are available for an additional payment on account of interest represented by the May 15, 1940 coupons of the bonds. Payment will be made at the rate of $4.58 per $25 coupon and $2.29 per $12.50 coupon upon presentation of the coupons at the office of the fiscal agent, 22 William Street, New York.

Changes In Holdings Of Reacquired Stock Of N. Y. Stock & Curb Listed Firms

The monthly compilation of companies listed on the New York Stock Exchange reporting changes in their holdings of reacquired stock was made available on Nov. 16. Following is the tabulation issued by the Stock Exchange:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report	
Allied Kid Co., common	37,290	37,595	
Allied Mills, Inc., common	304,454	304,458	
Allied Stores Corp., 5% preferred	917	3,117	
American Ice Co., 6% preferred	26,977	28,177	
American Viscose Corp., 5% cumulative preferred	1,746	1,746	(1)
Armour and Co. (Del.) 7% preferred	6,189	6,518	
Associates Investment Co., 5% cumulative preferred	3,450	5,035	
Atlantic Gulf & West Indies Steamship Lines, 5% preferred	18,358	19,158	
Atlas Corp., common	56,415	56,423	
6% preferred	1,069	1,070	
Barnsdall Oil Co., common	35,100	35,200	
Borden Co. (The), capital	41,305	41,254	
Brown Shoe Co., common	6,500	6,000	
Case (J. I.) Co., common	1,657	1,521	(2)
Preferred	4,050	6,500	(3)
Century Ribbon Mills, Inc., 7% preferred	245	255	
Chicago Yellow Cab Co., Inc., capital	35,218	35,768	
Cleveland Graphite Bronze Co. (The), 5% cumul. pfd.	------	------	(4)
Consolidated Laundries Corp., common	28,300	28,400	
Consolidated Oil Corp., common	197,600	207,500	
Continental Baking Co., 8% cumulative preferred	400	1,400	
Cuban-American Sugar Co. (The), 5½% conv. preferred	19,888	20,788	
7% cumulative preferred	10,740	10,890	
Davega Stores Corp., common	10,850	11,850	
5% cumulative convertible preferred	9	200	
Detroit Edison Co. (The), common	5,890	5,595	
Distillers Corp.-Seagrams, Ltd., cumul. pref., 5% series	------	------	(5)
Firestone Tire & Rubber Co. (The), common	319,184	319,189	
6% cumulative series A preferred	25,871	13,871	(6)
Flintkote Co. (The), $4.50 cumulative preferred	1,163	1,633	
Fruehauf Trailer Co., 5% convertible preferred	1,445	1,845	
Gaylord Container Corp., 5½% cumulative cv. pfd.	190	------	(7)
General Foods Corp., common	108,311	105,311	(8)
General Shoe Corp., common	2,922	3,038	
Gillette Safety Razor Co., $5 convertible pref.	9,249	10,849	
Gotham Hosiery Co., Inc., 7% cumulative preferred	------	------	(9)
Hamilton Watch Co., preferred	------	255	
Hat Corp. of America, 6½% preferred	1,055	------	(10)
Howe Sound Co., common	29,691	31,091	
Ingersoll-Rand Co., common	25,870	------	(6)
Insuranshares Certificates, Inc., common	------	------	(11)
Interstate Department Stores, Inc., 7% preferred	5,366	5,376	
Jones & Laughlin Steel Corp., common	8	------	(12)
5% cumulative preferred "A"	2	------	(13)
5% cumulative preferred "B"	2	------	(13)
Kayser (Julius) & Co., common	104,320	109,121	
Kendall Co. (The), $6 preferred	3,946	2,322	(6)
McCall Corp., common	400	1,000	
Madison Square Garden Corp., capital	22,500	22,600	
National Department Stores Corp., 6% preferred	86,739	88,624	
National Malleable & Steel Castings Co., common	4,715	13,815	(14)
National Steel Corp., common	5,750	5,650	
Natomas Co., common	------	------	(15)
Neisner Brothers, Inc., 4¾% cumul. series pref.	444	69	(6)
Newport News Shipbuild'g & Dry Dock Co., $5 cum. cv. pfd.	4,500	4,600	
Norfolk and Western Ry. Co., adj. 4% non-cum. pfd.	4,576	4,766	
Petroleum Corp. of America, capital	9,300	9,700	
Plymouth Oil Co., common	14,800	15,500	
Real Silk Hosiery Mills, Inc., 7% cum. preferred	5,741	5,354	(16)
Republic Steel Corp., 6% cum. conv. pfd.	3,523	------	(18)
Safeway Stores, Inc., common	15,097	15,096	
5% cumulative preferred	2,587	3,238	
Schenley Distillers Corp., 5½% cumulative preferred	2,620	5,120	
Shattuck (Frank G.) Co., common	166,000	168,300	
Sheaffer (W. A.) Pen Co., common	4,630	4,615	
Swift & Co., capital	77,740	77,732	
Transamerica Corp., capital	1,102,600	1,103,750	
Twentieth Century-Fox Film Corp., $1.50 preferred	35,980	36,380	
Union Bag & Paper Corp., common	6,200	10,200	
United Aircraft Corp., 5% cumulative preferred	700	1,300	
U. S. Hoffman Machinery Corp., 5½% cum. conv. pfd.	------	------	(17)
United States Leather Co. (The), 7% prior pref.	2,745	2,945	
Universal Pictures Co., Inc., 8% preferred	4,594	4,634	
Vultee Aircraft, Inc., cumulative convertible preferred	------	3,640	
White (S. S.) Dental Mfg. Co. (The), capital	1,465	1,500	
Willys-Overland Motors, Inc., 6% cumulative conv. pref.	38,500	41,355	

NOTES

(1) 200 shares acquired and retired.
(2) Options exercised as to 136 shares.
(3) "Shares Previously Reported" has been adjusted.
(4) 1,044 shares acquired and retired.
(5) 1,310 shares acquired and retired.
(6) Retirement.
(7) 56 shares acquired; 246 shares retired.
(8) 3,000 shares issued to acquire assets, etc. of Charles R. Phillips Co.
(9) 960 shares acquired and retired.
(10 47 shares acquired; 1,102 shares retired.
(11) 2,400 shares acquired and retired.
(12) 25 shares acquired; 33 shares retired.
(13) 6 shares acquired; 8 shares retired.
(14) 9,100 shares returned to company under default provisions of certain stock purchase contracts.
(15) 7,875 shares acquired and retired.
(16) 500 shares retired; 113 shares acquired.
(17) 330 shares acquired and retired.
(18) 2,931 shares purchased in October; all shares have been retired.

The New York Curb Exchange made public on Nov. 16 the following list of issuers of fully listed securities which have reported changes in their holdings of reacquired stock:

Name—	Shares Previously Reported	Shares Per Latest Report
American General Corp., common	358,682	358,706
American Writing Paper Corp., common	20,162	23,562
Blue Ridge Corp., $3.00 convertible pref.	2,915	6,335
Brown Fence & Wire Co., "A" preferred	None	700
Cooper-Bessemer Corp., $3 prior preference	2,143	2,343
Crown Central Petroleum Corp., common	578	580
Dejay Stores, Inc. common	10,481	11,040
Dennison Manufacturing Co., prior preferred	6,644	6,715
"A" common	7,152	6,997
Detroit Gasket & Mfg. Co., 6% preferred	12,466	12,766
Equity Corp., $3 convertible preferred	48,673	48,723
Interstate Hosiery Mills, Inc., capital	8,895	9,145
Knott Corp., common	8,868	9,068
Navarro Oil Co., common	11,809	11,755
Niagara Share Corp of Maryland, A preferred	4,846	4,856
B common	143,781	149,781
Sterchi Bros. Stores, Inc., 6% 1st pfd.	206	246
5% 2nd preferred	240	290
Trans-Lux Corp., common	83,657	85,657
Trunz, Inc., common	16,444	16,659
Tung-Sol Lamp Works, Inc., 80 cents conv pref.	37,129	None
Common	2,604	39,733
United Cigar-Whelan Stores Corp., common	12,139	12,140
United Wall Paper Factories, Inc., common	None	42,150
Utility Equities Corp., $5.50 dividend pr. stock	9,250	9,450

Daily Average Crude Oil Production For Week Ended Nov. 14, 1942 Increased 41,350 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Nov. 14, 1942, was 3,879,750 barrels, an increase of 41,350 barrels over the preceding week. The current figure, however, was 207,100 barrels per day lower than the figure for the corresponding period of 1941, and 151,650 barrels below the daily average figure for the month of November, 1942, as recommended by the Office of Petroleum Coordinator. Daily production for the four weeks ended Nov. 14, 1942, averaged 3,884,150 barrels. Further details as reported by the Institute follow:

Reports received from refining companies owning 85.9% of the 4,800,000-barrel estimated daily potential refining capacity of the United States, indicate that the industry as a whole ran to stills, on a Bureau of Mines' basis, 3,788,000 barrels of crude oil daily during the week ended Nov. 14, 1942, and that all companies had in storage at refineries, bulk terminals, in transit and in pipe lines as of that end of the week, 79,418,000 barrels of finished and unfinished gasoline. The total amount of gasoline produced by all companies is estimated to have been 11,417,000 barrels during the week ended Nov. 14, 1942.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*O.P.C. Recommendations November	*State Allowables Beginning Nov. 1	—Actual Production— Week Ended Nov. 14 1942	Change From Previous Week	4 Weeks Ended Nov.14 1942	Week Ended Nov. 15 1941
Oklahoma	407,500	407,500	†358,950	— 8,300	364,650	427,500
Kansas	300,700	300,700	†305,950	+ 37,650	293,950	255,500
Nebraska	3,400	------	†3,150	— 150	3,300	5,900
Panhandle Texas			89,800	----	90,900	79,600
North Texas			137,600	----	138,800	137,300
West Texas			211,800	----	211,900	285,600
East Central Texas			95,100	+ 800	94,150	83,050
East Texas			354,800	----	358,400	369,650
Southwest Texas			171,650	----	169,350	215,800
Coastal Texas			312,500	----	316,250	289,200
Total Texas	1,381,000	‡1,447,368	1,373,250	+ 800	1,379,750	1,460,200
North Louisiana			96,150	+ 1,000	96,850	82,100
Coastal Louisiana			227,700	----	229,100	269,650
Total Louisiana	333,800	345,800	323,850	+ 1,000	325,950	351,750
Arkansas	77,200	73,461	74,000	— 200	73,850	72,800
Mississippi	50,000		†67,100	+ 1,150	68,000	76,300
Illinois	280,900		240,050	— 25,500	258,750	384,650
Indiana	18,400		†15,300	— 2,800	16,550	17,600
Eastern (not incl. Ill. & Ind.)	105,200		92,800	+ 2,300	94,250	92,300
Michigan	64,500		65,500	+ 2,900	62,600	61,300
Wyoming	94,400		90,850	+ 1,650	90,250	74,400
Montana	24,800		21,850	+ 50	21,850	21,400
Colorado	7,000		6,150	— 500	6,700	5,650
New Mexico	100,600	100,600	100,000	----	99,750	116,450
Total East of Calif.	3,249,400		3,138,750	+ 10,050	3,160,150	3,423,750
California	782,000	§782,000	741,000	+ 31,300	724,000	663,100
Total United States	4,031,400		3,879,750	+ 41,350	3,884,150	4,086,850

*O.P.C. recommendations and state allowables represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Past records of production indicate, however, that certain wells may be incapable of producing the allowables granted, or may be limited by pipeline proration. Actual state production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline and allied products in August, 1942, as follows: Oklahoma, 29,000; Kansas, 4,500; Texas, 102,400; Louisiana, 19,700; Arkansas, 2,800; Illinois, 8,800; Eastern (not including Illinois and Indiana), 8,400; Michigan, 200; Wyoming, 2,400; Montana, 200; New Mexico, 6,200; California, 42,100.

†Oklahoma, Kansas, Nebraska, Mississippi, Indiana figures are for week ended 7 a.m. Nov. 11.

‡This is the net basic allowable as of Nov. 1, calculated on a 30-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 4 to 15 days, the entire state was ordered shut down for 9 days, no definite dates during the month being specified; operators only being required to shut down, as best suits their operating schedules or labor needed to operate leases, a total equivalent to 9 days shut-down time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE AND GAS AND FUEL OIL, WEEK ENDED NOV. 14, 1942
(Figures in Thousands of barrels of 42 Gallons Each)

Figures in this section include reported totals plus an estimate of unreported amounts and are —therefore on a Bureau of Mines basis—

District—	Daily Refining Capacity Potential Rate	Daily Refining Capacity % Reporting	Crude Runs to Stills Daily Average	Crude Runs to Stills % Operated	Gasoline Production at Refineries Includ. Natural Blended	Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuels	‡Stocks of Residual Fuel Oil
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,440	88.2	1,686	69.1	5,057	38,586	27,207	18,327
Appalachian	176	84.8	165	93.8	519	2,567	784	433
Ind., Ill., Ky.	804	83.3	770	95.8	2,465	13,798	6,359	2,713
Okla., Kansas, Mo.	416	80.1	357	85.8	1,250	6,042	2,102	1,404
Rocky Mountain	147	48.0	89	60.5	344	1,582	423	583
California	817	89.9	721	88.2	1.782	16,843	12,986	55,171
Tot. U. S. B. of M. basis, Nov. 14, 1942	4,800	85.9	3,788	78.9	11,417	†79,418	49,861	78,631
Tot. U. S. B. of M. basis, Nov. 7, 1942	4,800	85.9	3,674	76.5	10,893	79,238	49,034	§79,125
U. S. Bur. of Mines basis, Nov. 15, 1941			4,054		14,047	83,683	56,380	94,972

*At the request of the Office of Petroleum Coordinator. †Finished 70,395,000 bbls.; unfinished 9,023,000 bbls. ‡At refineries, at bulk terminals, in transit and in pipe lines. §On new basis due to transfer in California district of 808,000 bbls. from gasoline bearing crude to heavy crude (fuel) oil.

American Trade Ass'n Elects New Officers

Vincent P. Ahearn, Executive Secretary of the National Sand and Gravel Association, Washington, D. C., was elected President of the American Trade Association for the ensuing year at the executives' annual meeting in New York on Nov. 5-6. He succeeds W. J. Donald, Managing Director of the National Electrical Manufacturers Association.

Wesley Hardenberg, President of the American Meat Institute, Chicago, and Frederic R. Gamble, Managing Director of the American Association of Advertising Agencies, New York, were chosen Vice-Presidents; and William A. Penrose of Ferry & Dawson, Washington, was elected Treasurer. At the meeting George W. Romney, manager of the Detroit office of the Automobile Manufacturers Association, told how automobile and aviation companies are cooperating in the production of airplanes, tanks, armament and other munitions. Roscoe C. Edlund, manager of the Association of American Soap & Glycerine Producers, commented on the military significance of the Waste Fat Saving Campaign; George F. Rose, Secretary of the American Iron and Steel Institute, called upon general industry to back the scrap iron salvage drives, and Herman Fakler, Vice-President of the Millers' National Federation, told how the various trade associations in the food and allied fields are cooperating in different aspects of the war effort.

Dr. Miller McClintock, executive director of the Advertising Council, Inc., outlined his organization's work in cooperation with the Office of War Information. Dr. Kenneth Dameron, director of Consumer Relations in Advertising, spoke on "Consumer Movements in Wartime;" Raymond S. Smethurst, counsel for the National Association of Manufacturers, explained the new administrative controls over wages and salaries, and Earle Constantine, President of the National Association of Hosiery Manufacturers, spoke on post-war activities of trade associations.

Some 300 trade groups were represented at the gathering, and the government war agency executives who addressed the meeting included: Ernest Kanzler, Director General for Operations of the War Production Board; Dr. Merle Fainsod, Director of the Retail Trades and Service Division of the Office of Price Administration; Joel Dean, Chief of OPA's Fuel Rationing Division; T. Spencer Shore, Chief of the WPB Bureau of Industry Committees; Edmond J. Brady of the Office of Defense Transportation, and Col. Arthur V. McDermott, New York City Director of Selective Service.

The picture painted by these Washington officials was one of a constantly shrinking civilian economy, from which more and more materials and manpower must be diverted in order to further the war effort. Col. McDermott stressed the point that 1,000,000 men would be drafted during November and December, with 2,000,000 more to leave the civilian sphere for the army during 1943. Mr. Kanzler announced that the nation's civilian economy is shrinking at the rate of $1,000,000,000 every month, and also that the allocation of metals—such as steel and copper — to civilian needs would be practically infinitesimal during 1943. Dr. Fainsod outlined a proposed program of "streamlined" retailing, devoid of fancy services to customers, which OPA advocates as one way to make income meet outgo under ceiling prices.

A feature of the convention was a panel discussion on "Associations Go to War," in which four association executives told what their organizations are doing toward victory.

French Ships Seized

With the formal break in relations between the United States and Vichy France, the Coast Guard on Nov. 9 took into protective custody a small number of French merchant vessels, including three freighters at New Orleans.

Secretary of State Hull said that these ships had been taken into protective custody until the full significance of the new developments could be evaluated.

The ships now taken into custody were engaged in the exchange of goods with French North Africa, now the scene of American military operations.

About 11 other French ships, including the former liner Normandie, were taken over by the United States in May, 1941, under the requisitioning procedure.

Annual Report Of Com. & Ind. Ass'n

The annual report of Thomas Jefferson Miley, Secretary of the Commerce and Industry Association of New York, was made public on Nov. 8 and distributed to the membership, which includes a cross-section of all New York businesses. The summary of the year's work includes activities of the Association in bringing more war contracts to New York City; studies of the unemployment problem; easement of some of the difficulties of foreign traders and constructive proposals in taxation legislation and economies in the State and City budgets. It is noted by the Association that outstanding achievements outlined in the report included:

1. Defense and war activities, relating to priorities, contracts, civilian defense, help on the sale of war bonds, which were carried out through surveys, meetings, conferences, in close cooperation with government agencies. These contributed materially to the war effort, aided thousands in adjusting their businesses to war needs.
2. Recognition a year ago of the approach of the unemployment problem now confronting New York and the presentation to the government of a program to forestall it or at least alleviate it.
3. The conduct of a program carried on by radio, press and one large public meeting, to bring more offices from overcrowded Washington to New York—an effort which met with considerable success.
4. The most comprehensive foreign trade program in the Association's history covering such matters as export control, price control, import regulations, and many other subjects, serving to ease some of the difficulties of foreign traders and make it possible for them to function when otherwise they might not have been able to do so.
5. Establishment and publication of an up-to-date weekly Bulletin, through which members were kept informed promptly on all matters related to the Association's work.
6. Continued effective work on taxation including constant efforts to obtain the enactment of a workable, constructive Federal revenue bill which will not destroy the source of revenue; constructive proposals for economies in the State government; opposition to pernicious, mandatory legislation which would increase both State and business costs, and support of city budget economies.
7. Laying before the nation the inequities of the Federal Securities Acts and informing the appropriate committees in Congress of the needs of drastic changes as proposed in the Wadsworth Bill.
8. Important participation in the nation-wide effort to prevent the squandering of taxpayers' money and the waste of manpower, sorely needed for war purposes, on the St. Lawrence Seaway and Power Project.
9. Preliminary steps for the organization of a New York City Promotion Bureau.

N. Y. Fund Receives

Firms and employee groups in the credit and loan business have contributed $38,763 to the Greater New York Fund's 1942 campaign, according to a report made by William E. Thompson, of the Personal Finance Co. of New York, and Chairman of the Fund's credit and loan section, to Arthur A. Ballantine, President.

The Fund appeals once a year exclusively to business firms and employee groups on behalf of 400 voluntary welfare and health agencies that assist 2,000,000 New Yorkers annually. John W. Hanes, former Under-Secretary of the U. S. Treasury, is General Chairman of the 1942 drive.

Weekly Statistics Of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity	
				Current	Cumulative
1942—Week Ended—					
July 4	94,257	100,337	223,809	59	91
July 11	92,481	77,996	236,536	52	90
July 18	103,559	114,917	226,341	71	90
July 25	112,513	120,982	219,700	74	89
Aug. 1	119,023	125,653	213,443	76	89
Aug. 8	114,969	121,035	208,769	75	88
Aug. 15	120,262	122,735	208,206	73	88
Aug. 22	124,763	119,299	213,890	74	87
Aug. 29	122,236	124,440	212,953	77	87
Sept. 5	129,486	124,580	218,539	78	87
Sept. 12	106,933	101,891	222,636	65	86
Sept. 19	138,477	132,212	228,355	81	86
Sept. 26	129,503	131,173	224,926	78	86
Oct. 3	144,506	133,513	236,208	80	86
Oct. 10	147,437	131,961	248,026	80	86
Oct. 17	152,644	134,197	261,871	79	85
Oct. 24	150,133	136,249	275,139	81	85
Oct. 31	138,423	138,262	272,006	84	85
Nov 7	157,919	138,492	291,780	84	85
Nov. 14	147,815	137,355	301,088	83	85

Note—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

Gross And Net Earnings Of United States Railroads For The Month Of September

The earnings of the United States railroads for the month of September have established a new high in the history of the railroads, gross and net earnings, being the highest attained in any month in any year.

The ratio of expenses to earnings for the month of September is lower in spite of the increased use all facilities are being put to. This can be contributed to in part to the fact that time is not available for making many minor repairs at this time and to the fact that the railroads are operating on a war time basis and every inch of freight space is being availed of and that the railroads are now being operated at a maximum of efficiency. In September this year, the ratio of expenses to earnings was 57.28% as compared with 58.39% in August and 63.86% in September of last year.

Gross earnings of the railroads of the United States in September were $697,792,911 against $488,975,758 in September last year, a gain of $208,817,153, or 42.71% net earnings in September, 1942, were $298,087,633 against $176,739,349, in August, 1941, an increase of $121,348,284, or 68.66%. We now give below in tabulator form the results for the month of September, 1942, as compared with September, 1941.

			Incr. (+) or Decr. (—)	
Month of September—	1942	1941	Amount	%
Mileage of 132 roads	230,532	232,127	— 1,595	—00.69
Gross earnings	$697,792,911	$488,975,758	+$208,817,153	+42.71
Operating expenses	399,705,278	312,236,409	+ 87,468,869	+28.01
Ratio of expenses to earnings	(57.28%)	(63.86%)		
Net earnings	$298,087,633	$176,739,349	+$121,348,284	+68.66

In order to determine the underlying vital factors for the 42.71% increase in railroad earnings for the month of September over the corresponding period of the previous year, we turn now to the general activity of business and industry. In relation to its bearing on the revenues of the railroads for the month under review, we have brought together in the subjoined tabulation those figures giving grain and livestock receipts and revenue freight loadings for the month of September, 1942, as compared with September of the years, 1941, 1940, 1932 and 1929:

September—	1942	1941	1940	1932	1929
Building ($000):					
†Constr. contracts awarded	723,216	623,292	347,651	127,527	445,402
Coal (net tons):					
‡Bituminous	48,760,000	47,505,000	38,650,000	26,314,000	45,334,000
§Pennsylvania anthracite	5,426,000	5,334,000	4,172,000	4,108,000	6,543,000
Freight Traffic:					
¶Carloadings, all (cars)	x3,503,658	x3,540,210	x3,135,122	x2,244,599	x4,538,575
††Livestock receipts:					
Chicago (cars)	7,336	6,477	6,378	12,339	19,652
Kansas City (cars)	5,898	4,040	5,643	6,592	11,413
Omaha (cars)	3,557	3,095	3,573	5,763	8,706
‡‡Western flour and grain receipts:					
Flour (000 barrels)	x1,812	x1,581	x1,717	x1,619	x1,804
Wheat (000 bushels)	x50,511	x37,550	x38,326	x35,120	x45,620
Corn (000 bushels)	x18,932	x24,854	x26,296	x17,972	x17,873
Oats (000 bushels)	x16,999	x9,607	x6,662	x8,294	x13,244
Barley (000 bushels)	x15,768	x14,050	x8,521	x4,529	x6,950
Rye (000 bushels)	x2,912	x4,807	x1,669	x963	x3,182
Iron and Steel (net tons):					
§§Steel ingot production	7,067,084	6,811,754	6,056,246	1,125,892	5,146,744
Lumber (100 ft.):					
¶¶Production	x999,230	x1,107,237	x1,036,778	x447,850	x1,556,355
¶¶Shipments	x1,042,732	x1,134,446	x1,136,960	x608,751	x1,424,618
¶¶Orders received	x1,070,559	x1,020,170	x1,244,297	x694,791	x1,394,846

Note—Figures in above table issued by:

†F. W. Dodge Corp. (figures for 37 States east of Rocky Mountains). ‡National Bituminous Coal Commission. §United States Bureau of Mines. ¶Association of American Railroads. ††Reported by major stock yard companies in each city. ‡‡New York Produce Exchange. §§American Iron and Steel Institute. ¶¶National Lumber Manufacturers' Association (number of reporting mills varies in different years). x Four weeks.

In general, most of the items with the exception of corn and rye receipts and lumber production and shipments showed upward trends in volume of activity. Total valuation of construction contracts awarded in the 37 Eastern States was $723,216,000, a $2,188,000 increase above the preceding month and $99,924,000, or 16% ahead of September, 1941. Pennsylvania anthracite and bituminous coal output increased 1.72% and 2.64%, respectively, to aggregates of $5,426,000 and $48,760,000. Steel ingot production, livestock and grain receipts also continued to climb, though on a moderate scale. Lumber orders made a slight gain as compared with its corresponding 1941 figure, while production and shipments showed declines. A combination of all of these activities resulted in a decrease in freight car loadings of 36,552 cars for the four weeks of the month of September, or —8.5%. This cannot be taken as a true comparison since the number of tons transported and distance of hauls were much greater this year.

In all that has been said above we have been dealing with the railroads of the country as a whole. Let us turn from the factors responsible for the improvement in railroad operations and focus our attention on the individual roads and systems.

Of the 132 reporting to the Interstate Commerce Commission, as many as 87 reported gains in gross and 75 in net, all exceeding $100,000 or more. At the same time, only one carrier showed a decrease of such an amount in gross earnings, and three decreases of $100,000 or over in net. Analyzing the roads individually, the Pennsylvania continued at the head of the list, and showed an increase of $21,409,345. In second position, was Southern Pacific with an improvement of $17,724,823 over last year; but it was more successful in carrying its higher revenue down to net earnings and consequently led the list of roads with gains in this category with an increase of $13,592,913 in its net as compared with Pennsylvania's net gain of $13,021,215 which was the second greatest in this classification. The New York Central was third in the gross listing with an increase of $15,005,343 and fifth in net increases over 1941 with $7,343,128. Other roads showing substantial increases included Union Pacific, Atchison Topeka & Santa Fe, Missouri Pacific and Southern Ry. All of these roads were able to convert an amazingly high percentage of their gross increases into the net column.

Without further ado, in the following two tables we tabulate the major variations of $100,000 or more, whether they be increases or decreases, in both gross and net classification for the separate roads and systems:

PRINCIPAL CHANGES IN *GROSS* EARNINGS FOR THE MONTH OF SEPTEMBER

	Increase		Increase
Pennsylvania	$21,409,345	Dela. Lackawanna & West.	$896,361
Southern Pacific (2 roads)	17,724,823	Long Island	895,429
New York Central	*15,005,343	Alabama Great Southern	863,590
Union Pacific	13,414,619	Minne. St. P. & S. S. Marie	864,379
Atchison Topeka & Santa Fe	13,227,266	International Great Northern	786,963
Missouri Pacific	6,911,338	Virginian	756,664
Southern	6,652,673	Chicago & East Illinois	732,296
Baltimore & Ohio	6,647,843	New Orleans & Northeastern	695,161
Illinois Central	5,221,167	Central of Georgia	694,449
Chicago Burlington & Quincy	5,130,788	Western Maryland	667,684
Seaboard Air Line	4,988,633	Louisiana & Arkansas	560,486
Chicago Rock Island & Pac.	4,817,961	Spokane International & Seat.	537,689
N. Y. New Haven & Hartford	4,701,953	Delaware & Hudson	503,019
Atlantic Coast Line	4,482,120	Elgin Joliet & Eastern	499,859
Louisville & Nashville	4,479,669	Pere Marquette	466,362
Great Northern	4,306,833	Chicago Great Western	411,645
Chicago Mil. St. Paul & Pac.	4,021,812	Georgia	355,490
St. Louis-San Fran. (2 rds.)	3,209,540	Grand Trunk Western	352,581
Northern Pacific	3,173,302	Chi. St. P. Minne. & Omaha	311,288
New York Chicago & St. Louis	2,677,259	Georgia Southern & Florida	282,409
Chicago & Northwestern	2,395,782	Norfolk Southern	227,271
Denver & Rio Grande Western	2,367,270	Maine Central	198,507
Wabash	2,310,429	Florida East Coast	196,631
Norfolk & Western	2,289,513	Duluth South Shore & Atlan.	196,248
Erie	2,284,438	Can. Pacific Lines in Maine	194,581
Lehigh Valley	2,265,097	Illinois Central	192,884
Chesapeake & Ohio	2,129,894	Western Ry. of Alabama	191,577
Missouri-Kansas-Texas	2,023,056	Pittsburgh & Lake Erie	188,793
Gulf Mobile & Ohio	1,921,026	Minneapolis & St. Louis	185,299
Texas & Pacific	1,956,413	Wheeling & Lake Erie	185,138
St. Louis Southwestern	1,846,138	Northwestern Pacific	162,154
Reading	1,726,169	N. Y. Susquehanna & Western	156,557
Kansas City Southern	1,639,279	Atlanta & West Point	150,655
Yazoo & Mississippi Valley	1,592,490	Atlanta Birmingham & Coast	140,388
Richmond Fred. & Potomac	1,559,219	Penn. Reading Seashore Lines	123,239
Duluth Missabe & Iron Range	1,488,923	Lehigh & New England	122,035
Nash. Chattanooga & St. L.	1,471,103	Staten Island Rapid Transit	115,926
Boston & Maine	1,316,419	Gulf & Ship Island	108,316
Western Pacific	1,304,861	Burlington Rock Island	104,094
Central of New Jersey	1,283,073		
N. Or. Texas & Mex. (3 rds.)	1,255,616	Total (87 roads)	$208,843,480
Alton	1,095,581		
Colorado & Southern (2 rds.)	919,398		Decrease
Cincinnati N. Or. & Tex. Pac.	919,109	New York Connecting	$185,335

*These figures cover the operations of the New York Central and the leased lines—Cleveland Cincinnati Chicago & St. Louis, Michigan Central, Cincinnati Northern, and Evansville Indianapolis & Terre Haute. Including Pittsburgh & Lake Erie, the result is an increase of $7,343,128.

PRINCIPAL CHANGES IN *NET* EARNINGS FOR THE MONTH OF SEPTEMBER

	Increase		Increase
Southern Pacific (2 roads)	$13,592,913	Colorado & Southern (2 rds.)	$613,850
Pennsylvania	13,021,815	Misssouri-Kansas-Texas	600,140
Atchison Topeka & Santa Fe	8,842,319	Atlantic Great Southern	563,189
Union Pacific	8,064,026	Boston & Maine	556,926
New York Central	*7,343,128	Alton	551,202
Southern	4,362,636	Chicago & East Illinois	521,277
Missouri Pacific	4,064,198	International Great Northern	516,106
Chicago Burlington & Quincy	3,374,843	New Orleans & Northeastern	463,956
Seaboard Air Line	3,294,882	Spokane Portland & Seattle	449,058
Chicago Rock Island & Pac.	3,288,631	Dela. Lackawanna & Western	430,167
Atlantic Coast Line	2,984,236	Gulf Mobile & Ohio	429,130
Baltimore & Ohio	2,808,698	Minn. St. Paul & S. S. Marie	414,644
Great Northern	2,562,594	Central of Georgia	400,927
Illinois Central	2,457,638	Western Maryland	326,586
Louisville & Nashville	2,309,605	Chicago Great Western	267,896
New York New Haven & Hart.	2,279,951	Georgia	261,978
Chi. Milwaukee St. P. & Pac.	2,240,832	Long Island	226,338
St. Louis-San Fran. (2 rds.)	2,047,107	Grand Trunk Western	222,922
Northern Pacific	1,720,406	Georgia Southern & Florida	213,066
Denver & Rio Grande West.	1,690,704	Louisiana & Arkansas	204,470
New York Chicago & St. L.	1,662,866	Northwestern Pacific	162,452
Wabash	1,401,869	Elgin Joliet & Eastern	162,336
St. Louis Southwestern	1,352,351	Chi. St. Paul Minn. & Omaha	156,284
Richmond Fred. & Potomac	1,246,038	Duluth South Shore & Atlan.	154,563
Erie	1,222,418	Can. Pacific Lines in Maine	153,210
Duluth Missabe Iron Range	1,156,339	Illinois Terminal	146,134
Texas & Pacific	1,154,142	Maine Central	131,337
Chicago & Northwestern	1,145,695	Western Ry. of Alabama	123,734
Yazoo & Mississippi Valley	1,123,988	Minneapolis St. Louis	116,853
Lehigh Valley	1,035,057	Norfolk Southern	111,978
Chesapeake & Ohio	967,259	N. Y. Susquehanna & Western	109,331
New Or. Tex. & Mex. (3 rds.)	959,396		
Norfolk & Western	942,826	Total (75 roads)	$122,816,159
Reading	850,201		
Florida East Coast	847,143		Decrease
Nash. Chattanooga & St. L.	823,920	Virginian	$291,746
Kansas City Southern	820,605	Bessemer & Lake Erie	264,610
Western Pacific	717,040	New York Connecting	215,168
Central of New Jersey	649,972		
Cin. New Or. & Texas Pacific	623,832	Total (3 roads)	$771,524

*These figures cover the operations of the New York Central and the leased lines—Cleveland Cincinnati Chicago & St. Louis, Michigan Central, Cincinnati Northern, and Evansville Indianapolis & Terre Haute. Including Pittsburgh & Lake Erie, the result is an increase of $7,314,782.

When the roads are arranged in groups according to their location, the generally favorable results recorded during the month of September are very clearly manifested. Turning to the largest geographical divisions, the districts, we find that the gross and net classification honors for the greatest gain over 1941 went to the Western District with increases of $98.766.353 in gross and $61,228,176 in net. It was closely followed by the Southern and Eastern Districts.

A quick glance over the smaller sub-divisions, the regions, shows a substantial increase in both gross and net categories over a year earlier by all eight regions. However, the Southwestern region attained the greatest increase in gross and net listings with gains of $24,952,803 and $15,003,376, respectively, equivalent to 69.52% in gross and 116.00% in net.

For a detailed picture of the outlines presented above, we now present our summary tabulation of the 132 reporting roads. Our grouping is in conformity with the classification prescribed by the Interstate Commerce Commission. For the boundaries of the various subdivisions, districts and regions, consult the footnote subjoined to the following table:

SUMMARY OF GROUPS—MONTH OF SEPTEMBER

District and Region	Gross Earnings 1942	Gross Earnings 1941	Inc. (+) or Dec. (—)	
	$	$	$	%
Eastern District—				
New England region (10 roads)	24,846,346	18,622,321	+ 6,224,025	+33.42
Great Lakes region (23 roads)	114,011,741	86,548,478	+ 27,463,263	+31.73
Central Eastern region (18 roads)	139,528,919	104,872,776	+ 34,656,143	+33.05
Total (51 roads)	278,387,006	210,043,575	+ 68,343,431	+32.54
Southern District—				
Southern region (26 roads)	96,138,727	60,166,648	+ 35,972,079	+59.79
Pocahontas region (4 roads)	33,742,174	28,006,884	+ 5,735,290	+20.48
Total (30 roads)	129,880,901	88,173,532	+ 41,707,369	+47,30
Western District—				
Northwestern region (15 roads)	80,183,008	62,168,739	+ 18,014,269	+28.98
Central Western region (16 roads)	148,494,909	92,695,628	+ 55,799,281	+60.20
Southwestern region (20 roads)	60,847,087	35,894,284	+ 24,952,803	+69.52
Total (51 roads)	289,525,004	190,758,651	+ 98,766,353	+51.78
Total all districts (132 roads)	697,792,911	488,975,758	+208,817,153	+42.71

District and Region	Mileage 1942	Mileage 1941	Net Earnings 1942	Net Earnings 1941	Incr. (+) or Dec. (—)	
			$	$	$	%
Eastern District—						
New England region	6,639	6,689	9,534,189	6,264,263	+ 3,269,926	+52.20
Great Lakes region	26,007	26,038	42,567,474	29,062,062	+ 13,505,412	+46.47
Central East. region	24,194	24,405	54,207,079	35,562,171	+ 18,644,908	+52.43
Total	56,840	57,132	106,308,742	70,888,496	+ 35,420,246	+49.97
Southern District—						
Southern region	37,570	38,017	43,052,246	21,216,761	+ 21,835,485	+102.92
Pocahontas region	6,047	6,084	17,122,055	14,257,678	+ 2,864,377	+20.09
Total	43,617	44,101	60,174,301	35,474,439	+ 24,699,862	+69.63
Western District—						
Northwestern region	45,512	45,476	36,877,736	26,428,035	+ 10,449,701	+39.54
Central West. region	55,671	56,368	66,733,148	30,988,049	+ 35,745,099	+115.35
Southwestern region	28,892	29,050	27,993,706	12,960,330	+ 15,033,376	+116.00
Total	130,075	130,894	131,604,590	70,376,414	+ 61,228,176	+87.00
Total all districts	230,532	232,127	298,087,633	176,739,349	+121,348,284	+68.66

Note—Our grouping of the roads conforms to the classification of the Interstate Commerce Commission, and the following indicates the confines of the different groups and regions:

EASTERN DISTRICT

New England Region—Comprises the New England States.

Great Lakes Region—Comprises the section on the Canadian boundary between New England and the westerly shore of Lake Michigan to Chicago, and north of a line from Chicago via Pittsburgh to New York.

Central Eastern Region—Comprises the section south of the Great Lakes Region east of a line from Chicago through Peoria to St. Louis and the Mississippi River to the mouth of the Ohio River, and north of the Ohio River to Parkersburg, W. Va., and a line thence to the southwestern corner of Maryland and by the Potomac River to its mouth.

SOUTHERN DISTRICT

Southern Region—Comprises the section east of the Mississippi River and south of the Ohio River to a point near Kenova, W. Va., and a line thence following the eastern boundary of Kentucky and the southern boundary of Virginia to the Atlantic.

Pocahontas Region—Comprises the section north of the southern boundary of Virginia, east of Kentucky and the Ohio River north to Parkersburg, W. Va., and south of a line from Parkersburg to the southwestern corner of Maryland and thence by the Potomac River to its mouth.

WESTERN DISTRICT

Northwestern Region—Comprises the section adjoining Canada lying west of the Great Lakes Region, north of a line from Chicago to Omaha and thence to Portland, and by the Columbia River to the Pacific.

Central Western Region—Comprises the section south of the Northwestern Region west of a line from Chicago to Peoria and thence to St. Louis, and north of a line from St. Louis to Kansas City and thence to El Paso and by the Mexican boundary to the Pacific.

Southwestern Region—Comprises the section lying between the Mississippi River south of St. Louis and a line from St. Louis to Kansas City and thence to El Paso, and by the Rio Grande to the Gulf of Mexico.

The grain traffic over the Western roads in the month under review was somewhat heavier than in September 1941.

With respect to the individual grains, flour recorded an increase of 231,000 barrels over 1941's aggregate of 1,581,000 barrels. Although corn and rye arrivals were slightly reduced from the last year, most of this deficiency was made up by a marked gain in wheat receipts which showed an increase of 12,961,000 bushels over its 1941 total of 37,500,000 bushels. The receipts of oats and barley aggregated gains of 7,392,000 bushels and 1,718,000 bushels, respectively.

In our usual form, we now present a detailed statement of the Western Grain movement for the four weeks and nine months ended Sept. 26, 1942, as compared with the corresponding period ended Sept. 27, 1941:

WESTERN FLOUR AND GRAIN RECEIPTS
Four Weeks Ended September 26

(000) Omitted	Year	Flour (bbls.)	Wheat (bush.)	Corn (bush.)	Oats (bush.)	Rye (bush.)	Barley (bush.)
Chicago	1942	920	3,122	5,837	2,104	468	1,801
	1941	717	1,295	9,436	2,069	323	1,426
Minneapolis	1942	----	23,119	209	10,241	1,567	8,225
	1941	----	17,256	1,209	4,618	2,620	7,738
Duluth	1942	----	9,220	174	826	250	1,067
	1941	----	9,552	2,118	307	1,537	803
Milwaukee	1942	65	389	1,455	48	143	3,676
	1941	77	51	1,073	52	126	3,185
Toledo	1942	----	1,624	295	561	204	24
	1941	----	1,112	104	421	2	1
Indianapolis & Omaha	1942	----	2,560	2,935	1,218	33	13
	1941	----	1,494	3,933	914	43	7
St. Louis	1942	547	2,189	2,123	514	104	300
	1941	487	502	1,158	260	37	241
Peoria	1942	196	615	3,118	362	38	267
	1941	157	261	3,742	272	82	374
Kansas City	1942	84	5,722	1,960	546	----	----
	1941	143	3,789	986	334	----	----
St. Joseph	1942	----	326	294	184	----	----
	1941	----	366	351	257	----	----
Wichita	1942	----	1,173	----	----	----	----
	1941	----	1,192	----	----	2	2
Sioux City	1942	----	450	532	395	105	395
	1941	----	680	744	103	35	273
Detroit	1942	----	2	----	----	----	----
	1941	----	----	----	----	----	----
Total all	1942	1,812	50,511	18,932	16,999	2,912	15,768
	1941	1,581	37,550	24,854	9,607	4,807	14,050

WESTERN FLOUR AND GRAIN RECEIPTS
Nine Months Ended September 26

(000 omitted)	Year	Flour (bbls.)	Wheat (bush.)	Corn (bush.)	Oats (bush.)	Rye (bush.)	Barley (bush.)
Chicago	1942	8,447	12,470	68,751	15,503	2,221	10,854
	1941	7,490	17,250	72,284	16,571	3,842	9,464
Minneapolis	1942	----	91,314	14,058	32,512	9,780	41,152
	1941	86	111,087	9,624	21,214	15,340	36,953
Duluth	1942	----	34,737	10,435	1,164	1,351	3,324
	1941	21	48,784	14,374	1,471	3,551	8,232
Milwaukee	1942	598	1,485	7,898	510	811	20,917
	1941	689	3,961	8,276	772	1,222	19,195
Toledo	1942	283	10,099	4,620	3,460	1,035	172
	1941	----	11,732	1,714	4,688	33	57
Indianapolis & Omaha	1942	----	19,177	35,594	9,667	386	73
	1941	25	24,497	26,508	6,426	410	107
St. Louis	1942	4,951	15,580	18,043	3,190	918	1,900
	1941	4,987	14,874	10,589	2,651	268	1,384
Peoria	1942	1,613	2,809	32,681	1,813	564	2,820
	1941	1,550	3,233	25,271	2,114	719	2,928
Kansas City	1942	646	52,108	24,081	3,860	6	----
	1941	1,082	73,759	5,305	1,996	----	----
St. Joseph	1942	----	5,046	3,794	2,296	4	6
	1941	----	4,327	1,622	1,766	----	----
Wichita	1942	----	15,547	24	2	----	----
	1941	----	20,018	----	----	2	5
Sioux City	1942	----	2,726	3,869	1,375	318	1,924
	1941	----	2,668	2,262	736	297	1,418
Detroit	1942	----	133	111	----	15	7
	1941	----	----	----	----	----	----
Total all	1942	16,538	263,231	223,959	75,352	17,409	83,149
	1941	15,930	336,190	177,829	60,405	25,684	79,743

In the table which follows we furnish our customary summary of the September comparisons of the gross and net earnings of the railroads of the country from the current year back to and including 1909:

Month of Sept.	Gross Earnings Year Given	Year Preceding	Inc. (+) or Dec. (—)	%	Mileage Year Given	Year Preced'g
1909	$252,711,515	$242,562,898	+$10,148,617	+ 4.18	220,205	217,277
1910	236,874,425	211,281,315	+ 25,593,110	+12.11	233,428	229,161
1911	249,054,036	249,014,235	+ 39,801	+ 0.02	230,918	226,526
1912	272,209,629	252,318,597	+ 19,891,032	+ 7.88	237,591	235,140
1913	285,050,042	275,244,811	+ 9,805,231	+ 3.56	242,097	239,050
1914	272,992,901	285,850,745	— 12,857,844	— 4.50	242,386	238,698
1915	294,241,340	276,458,199	+ 17,783,141	+ 6.43	245,132	243,463
1916	332,888,990	294,333,449	+ 38,555,541	+13.10	248,156	247,466
1917	364,880,086	330,978,448	+ 33,901,638	+10.24	245,148	243,027
1918	487,140,781	357,772,850	+129,367,931	+36.16	232,186	232,378
1919	495,123,397	485,870,475	+ 9,252,922	+ 1.90	232,772	232,349
1920	594,192,321	480,408,546	+113,783,775	+23.68	226,955	224,922
1921	496,784,097	617,537,676	—120,753,579	—19.55	235,155	234,559
1922	498,702,275	496,978,503	+ 1,723,772	+ 0.35	235,280	235,205
1923	544,270,233	499,720,575	+ 44,549,658	+ 8.91	235,611	236,525
1924	539,853,860	544,970,083	— 5,116,223	— 0.94	235,178	235,640
1925	564,443,591	540,062,587	+ 24,381,004	+ 4.51	236,752	236,587
1926	588,948,933	564,756,924	+ 24,192,009	+ 4.28	236,779	235,977
1927	564,043,987	590,102,143	— 26,058,156	— 4.42	238,814	237,854
1928	554,440,941	564,421,630	— 9,980,689	— 1.77	240,693	239,499
1929	565,816,654	556,003,668	+ 9,812,986	+ 1.76	241,704	241,447
1930	466,826,791	566,461,331	— 99,634,540	—17.59	242,341	243,322
1931	349,821,538	466,895,312	—117,073,774	—25.08	242,815	242,593
1932	272,049,868	349,662,649	— 77,612,781	—22.20	242,292	242,143
1933	295,506,009	272,059,765	+ 23,446,244	+ 8.62	240,992	239,904
1934	275,129,512	291,772,770	— 16,643,258	— 5.70	238,977	240,563
1935	306,566,997	275,158,450	+ 31,408,547	+11.41	237,431	238,819
1936	356,633,472	306,552,878	+ 50,080,594	+16.34	236,686	236,918
1937	362,454,729	356,449,463	+ 6,005,266	+ 1.68	235,304	235,886
1938	322,107,807	362,454,728	— 40,346,921	—11.13	234,423	235,308
1939	380,437,001	322,055,751	+ 58,381,250	+18.13	233,378	234,236
1940	381,863,424	380,437,002	+ 1,426,422	+ 0.37	232,708	233,373
1941	488,975,757	382,028,588	+106,947,169	+27.99	232,110	232,749
1942	697,792,911	488,975,758	+208,817,153	+42.71	230,532	232,137

Month of Sept.	Net Earnings Year Given	Year Preceding	Increase (+) or Decrease (—)	%
1909	$91,444,754	$78,939,440	+$12,505,314	+15.84
1910	90,191,439	94,307,971	— 4,116,532	— 4.36
1911	90,720,548	89,398,733	+ 1,321,815	+ 1.48
1912	96,878,558	90,842,946	+ 6,035,612	+ 6.64
1913	92,847,193	98,000,260	— 5,153,067	— 5.26
1914	92,022,947	91,274,033	+ 748,914	+ 0.82
1915	111,728,276	93,181,915	+ 18,546,361	+19.90
1916	124,447,839	111,875,296	+ 12,572,543	+11.24
1917	116,086,103	123,785,757	— 7,699,654	— 6.22
1918	117,470,621	114,280,071	+ 3,190,550	+ 2.79
1919	98,302,598	117,131,459	— 18,828,861	—16.08
1920	102,329,084	93,423,391	+ 8,905,693	+ 9.53
1921	120,604,462	109,232,938	+ 11,372,524	+10.41
1922	91,381,593	120,428,552	— 29,046,959	—24.12
1923	129,300,309	91,858,924	+ 37,441,385	+40.76
1924	165,049,184	134,911,897	+ 30,137,287	+22.34
1925	177,242,895	159,216,004	+ 18,026,891	+11.32
1926	191,933,148	176,936,230	+ 14,996,918	+ 8.48
1927	179,434,277	193,233,706	— 13,799,429	— 7.13
1928	180,359,111	178,647,780	+ 1,711,331	+ 0.96
1929	181,413,185	178,800,939	+ 2,612,246	+ 1.46
1930	147,231,000	183,486,079	— 36,255,079	—19.74
1931	92,217,886	147,379,100	— 55,161,214	—37.43
1932	83,092,939	92,153,547	— 9,060,608	— 9.83
1933	94,222,438	83,092,822	+ 11,129,616	+13.39
1934	71,781,674	92,720,463	— 20,938,789	—22.58
1935	88,955,493	72,390,908	+ 16,564,585	+22.88
1936	108,659,760	88,910,238	+ 19,749,522	+22.21
1937	100,395,949	108,622,455	— 8,226,506	— 7.57
1938	90,537,737	100,396,950	— 9,859,213	— 9.82
1939	129,871,715	90,543,128	+ 39,328,587	+43.44
1940	122,391,572	129,871,715	— 7,480,143	— 5.76
1941	176,738,626	122,441,917	+ 54,296,709	+44.35
1942	298,087,633	176,739,349	+121,348,284	+68.66

Need Materials Inspectors In Federal Civil Service

The United States Civil Service Commission announces that the expanded facilities of the Maritime Commission in the construction of cargo and war-purpose ships and the production of materials for them has created a need for additional inspectors. Persons with technical experience in the manufacture of paints and textiles, and those with inspectional, mechanical, or production experience in other fields are being sought. Applications should be filed with the Civil Service Commission. The announcement from the Commission also says:

"Technical inspections must be made, at place of manufacture and at point of delivery, of various types and grades of marine paints; paint removers, primers, varnishes, enamels, rust preventatives; animal, vegetable, and mineral oils, and pigments; of table and bed linens, towels, flags, canvas, carpets, cloth, fabrics, cordage, and other textiles used in cabin furnishings; and of metals, metal products, furniture, mechanical equipment, electrical equipment, silverware, aluminum ware, stainless steel and wooden galley utensils, china, glassware, hospital instruments, hand tools, micrometers, gauges, thermometers, cameras, binoculars, and a variety of portable mechanical equipment, machinery, or instruments.

"Positions pay $2,600 a year entrance salary. For the inspection of paints, applicants must have had appropriate experience in the manufacture or inspection of paint or paint products, including raw material analysis, batch formulation, production inspection for compliance with specifications, and physical testing of the finished product. Formal education in chemistry or chemical engineering is desirable but is not required.

"Applicants for the inspection of textiles must have had appropriate experience in the inspection or manufacture of textiles, including examination of constituent materials; complete service inspection, tests, and examination of finished textiles; and the compilation of written reports. This experience must have included the inspection of cotton materials and at least one other material: either woolens, rayons, linens, or silks. Formal education in textile technology or textile engineering is desirable but is not required.

"Applicants may qualify for the inspection of general equipment if they have had appropriate experience in the inspection of certain of the equipment, or if they have had appropriate mechanical or skilled production experience in the manufacture of mechanical or electrical equipment, or if they have had experience as journeyman machinist or journeyman toolmaker.

"There are no age limits for the positions. No written test will be given. It is desirable that applicants be able to make written reports clearly and intelligently. Applicants' qualifications will be judged from their experience, education, and training, and on corroborative evidence secured by the Commission. Applications are not desired from persons engaged in war work unless a change of position would result in the utilization of higher skills. War Manpower Commission restrictions on Federal appointment of persons engaged in certain critical occupations in specified areas are given in Form 3989 posted in first- or second-class post offices throughout the country.

"Announcement 270 for Assistant Materials Inspectors of paints, textiles, or general equipment, and forms for applying are obtainable at first- and second-class post offices or from the Commission's Washington office. Applications must be filed with the United States Civil Service Commission in Washington, D. C., and will be accepted until the needs of the service are met."

Cotton Consumption In October Higher

Under date of Nov. 14, 1942, the Census Bureau at Washington issued its report showing cotton consumed in the United States, cotton on hand, and active cotton spindles for the month of October.

In the month of October, 1942, cotton consumed amounted to 972,490 bales of lint and 116,259 bales of linters, as compared with 966,149 bales of lint and 114,537 bales of linters in September, 1942, and 955,657 bales of lint and 132,732 bales of linters in October, 1941.

For the three months ending with October 31, cotton consumption was 2,863,728 bales of lint and 352,934 bales of linters, against 2,705,663 bales of lint and 393,305 bales of linters in the same three months a year ago.

There were 2,117,902 bales of lint and 410,145 bales of linters on hand in consuming establishments on Oct. 31, 1942, which compares with 1,993,595 bales of lint and 460,304 bales of linters on Oct. 31, 1941.

12,674,414 bales of lint and 76,840 bales of linters were on hand in public storage and at compresses on Oct. 31, 1942, and 13,318,190 bales of lint and 94,661 bales of linters on Oct. 31, 1941.

There were 23,012,046 cotton spindles active during October, 1942, which compares with 23,054,236 active cotton spindles during October, 1941.

Wholesale Commodity Prices Advance 0.4% In November 14 Week, Labor Bureau Reports

The Bureau of Labor Statistics, U. S. Department of Labor, announced on Nov. 19 that further advances in prices for agricultural commodities, largely grains, and the higher excise taxes on tobacco products and alcohol brought the Bureau's comprehensive index of nearly 900 price series up 0.4% during the week ended Nov. 14 to 100.1% of the 1926 average.

The Bureau's announcement further said:

"**Farm Products and Foods.**—Led by an advance of 2.5% for grains, prices of farm products as a group rose 0.8% during the week to the highest level in over 17 years. Quotations for corn were up over 6%, oats and rye about 4.5% and barley and wheat approximately 1%. In addition prices were substantially higher for cotton, hops, tobacco, apples and potatoes. Livestock and poultry advanced slightly as a result of increased prices for live poultry in the Chicago market and for sheep. Quotations for hogs declined 0.7% and citrus fruits and flaxseed also were lower.

"Average prices for foods in primary markets were up 0.1% principally because of higher prices for oatmeal and flour, for dressed poultry at New York, for certain fruits and vegetables and for peanut butter, pepper, and cottonseed oil. Prices were lower for rye flour and for cornmeal.

"Cattle feed prices dropped 1.1% largely because of lower quotations for bran and middlings.

"**Industrial Commodities**—Aside from the higher excise taxes which became effective early in November there were few changes in prices of industrial commodities.

"Higher prices were reported for raw jute, for gasoline in the Oklahoma market and for boxboard. Higher taxes caused sharp advances in quotations for ethyl alcohol, cigars and cigarettes. Maple flooring prices declined during the week."

The Bureau makes the following notation:

During the period of rapid changes caused by price controls, materials allocation, and rationing the Bureau of Labor Statistics will attempt promptly to report changing prices. The indexes marked (*), however, must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports.

The following table shows index numbers for the principal groups of commodities for the past 3 weeks, for Oct. 17, 1942 and Nov. 15, 1941 and the percentage changes from a week ago, a month ago, and a year ago:

(1926=100)

						Percentage changes to Nov. 14, 1942 from—		
Commodity groups	11-14 1942	11-7 1942	10-31 1942	10-17 1942	11-15 1941	11-7 1942	10-17 1942	11-15 1941
All commodities	*100.1	*99.7	*99.7	*99.6	92.3	+0.4	+0.5	+ 8.5
Farm products	110.7	109.8	109.1	107.9	90.7	+0.8	+2.6	+22.1
Foods	103.0	102.9	103.0	103.1	89.6	+0.1	—0.1	+15.0
Hides and leather products	118.4	118.4	118.4	118.4	114.1	0	0	+ 3.8
Textile products	96.6	96.6	96.6	96.5	90.5	0	+0.1	+ 6.7
Fuel and lighting materials	79.7	79.6	79.6	79.7	79.6	+0.1	0	+ 0.1
Metals and metal products	*103.9	*103.9	*103.9	*103.9	103.4	0	0	+ 0.5
Building materials	110.2	110.2	110.2	110.2	107.1	0	0	+ 2.9
Chemicals and allied products	99.5	96.2	96.1	96.1	89.5	+3.4	+3.5	+11.2
Housefurnishing goods	104.1	104.1	104.1	104.1	101.6	0	0	+ 2.5
Miscellaneous commodities	90.0	88.7	88.5	88.4	87.2	+1.5	+1.8	+ 3.2
Raw materials	103.7	103.2	102.7	102.0	89.9	+0.5	+1.7	+15.4
Semimanufactured articles	92.5	92.5	92.5	92.5	89.6	0	0	+ 3.2
Manufactured products	*99.7	*99.3	*99.5	*99.7	94.1	+0.4	0	+ 6.0
All commodities other than farm products	*97.8	*97.5	*97.7	*97.8	92.7	+0.3	0	+ 5.5
All commodities other than farm products and foods	*96.1	*95.7	*95.7	*95.6	93.6	+0.4	+0.5	+ 2.7

*Preliminary.

Cottonseed Receipts In October

On Nov. 13 the Bureau of Census issued the following statement showing cottonseed received, crushed, and on hand, and cottonseed products manufactured, shipped out, on hand, and exported for the three months ended with October, 1942 and 1941:

COTTONSEED RECEIVED, CRUSHED, AND ON HAND (TONS)

State—	Received at mills* Aug. 1 to Oct. 31 1942	Received at mills* Aug. 1 to Oct. 31 1941	Crushed Aug. 1 to Oct. 31 1942	Crushed Aug. 1 to Oct. 31 1941	On hand at mills Oct. 31 1942	On hand at mills Oct. 31 1941
United States	2,877,106	2,416,578	1,361,163	1,199,669	1,597,871	1,347,438
Alabama	177,093	139,745	98,413	95,696	82,013	55,222
Arizona	16,944	27,594	10,191	17,749	7,144	10,062
Arkansas	335,363	357,981	122,328	141,613	224,910	241,298
California	22,122	33,082	11,383	21,529	11,914	18,048
Georgia	211,335	136,529	142,641	107,794	72,751	47,651
Louisiana	130,855	62,234	75,764	44,452	55,835	18,308
Mississippi	583,470	460,187	208,258	191,200	371,453	273,013
North Carolina	145,063	128,306	74,462	63,300	73,712	74,742
Oklahoma	126,828	98,285	58,223	57,889	73,069	40,928
South Carolina	115,952	60,495	76,400	38,770	40,252	24,733
Tennessee	275,635	318,711	99,241	110,384	185,581	228,995
Texas	639,666	492,294	351,880	270,042	323,145	249,446
All other States	96,780	101,135	31,979	39,251	66,092	64,992

*Does not include 81,928 and 130,529 tons on hand Aug. 1 nor 18,174 and 13,427 tons reshipped for 1942 and 1941 respectively.

COTTONSEED PRODUCTS MANUFACTURED, SHIPPED OUT, AND ON HAND

Item	Season	On hand Aug. 1	Produced Aug. 1 to Oct. 31	Shipped out Aug. 1 to Oct. 31	On hand Oct. 31
Crude oil	1942-43	*34,460	422,869	370,942	*133,726
(thousand pounds)	1941-42	29,708	372,905	319,345	134,735
Refined oil	1942-43	†310,191	‡282,944	------	†201,427
(thousand pounds)	1941-42	294,005	243,461	------	209,223
Cake and meal	1942-43	190,100	595,791	651,755	134,136
(tons)	1941-42	164,444	522,419	393,702	293,161
Hulls	1942-43	44,118	329,718	298,893	74,943
(tons)	1941-42	151,439	302,623	240,210	213,852
Linters	1942-43	43,295	402,387	345,081	100,601
(running bales)	1941-42	123,154	344,364	343,094	124,424
Hull fiber	1942-43	229	7,993	6,565	1,657
(500-lb. bales)	1941-43	1,834	10,966	10,029	2,771
Grabbots, motes, &c.	1942-43	23,644	15,354	10,114	28,884
(500-lb. bales)	1941-42	6,183	13,552	8,259	11,476

*Includes 24,484,000 and 50,683,000 pounds held by refining and manufacturing establishments and 2,118,000 and 23,258,000 pounds in transit to refiners and consumers Aug. 1, 1942 and Oct. 31, 1942 respectively.

†Includes 3,620,000 and 6,724,000 pounds held by refiners, brokers, agents, and warehousemen at places other than refineries and manufacturing establishments and 1,389,000, and 2,679,000 pounds in transit to manufacturers of shortening, oleomargarine, soap, etc. Aug. 1, 1942 and Oct. 31, 1942 respectively. Does not include winterized oil.

‡Produced from 302,480,000 pounds of crude oil.

Exports and Imports of Cottonseed Products

In the interest of national defense, the Department of Commerce has discontinued until further notice the publication of statistics concerning imports and exports.

Trading On New York Exchanges

The Securities and Exchange Commission made public on Nov. 20, figures showing the daily volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Nov. 7, 1942, continuing a series of current figures being published by the Commission. Short sales are shown separately from other sales in these figures, the Commission explained.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Nov. 7 (in round-lot transactions) totaled 1,247,017 shares, which amount was 16.75% of total transactions on the Exchange of 3,802,760 shares. This compares with member trading during the previous week ended Oct. 31 of 1,072,926 shares, or 16.45% of total trading of 3,261,110 shares. On the New York Curb Exchange, member trading during the week ended Nov. 7 amounted to 174,000 shares, or 15.33% of the total volume of that Exchange of 567,450 shares; during the preceding week trading for the account of Curb members of 188,650 shares was 17.35% of total trading of 543,670 shares.

The Commission made available the following data for the week ended Nov. 7:

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

	N. Y. Stock Exchange	N. Y. Curb Exchange
Total number of reports received	960	652
1. Reports showing transactions as specialists	174	90
2. Reports showing other transactions initiated on the floor	173	27
3. Reports showing other transactions initiated off the floor	188	76
4. Reports showing no transactions	519	527

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)

WEEK ENDED NOV. 7, 1942

	Total for Week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	82,410	
‡Other sales	3,720,350	
Total sales	3,802,760	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	270,460	
Short sales	46,820	
‡Other sales	241,410	
Total sales	288,230	7.35
2. Other transactions initiated on the floor—		
Total purchases	224,380	
Short sales	14,000	
‡Other sales	195,290	
Total sales	209,290	5.70
3. Other transactions initiated off the floor—		
Total purchases	130,640	
Short sales	11,600	
‡Other sales	139,417	
Total sales	151,017	3.70
4. Total—		
Total purchases	625,480	
Short sales	72,420	
‡Other sales	576,117	
Total sales	648,537	16.75

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)

WEEK ENDED NOV. 7, 1942

	Total for Week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	4,765	
‡Other sales	562,685	
Total sales	567,450	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	46,105	
Short sales	3,365	
‡Other sales	64,700	
Total sales	68,065	10.06
2. Other transactions initiated on the floor—		
Total purchases	7,475	
Short sales	200	
‡Other sales	12,050	
Total sales	12,250	1.74
3. Other transactions initiated off the floor—		
Total purchases	19,865	
Short sales	300	
‡Other sales	19,940	
Total sales	20,240	3.53
4. Total—		
Total purchases	73,445	
Short sales	3,865	
‡Other sales	96,690	
Total sales	100,555	15.33
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	30,819	
Total purchases	30,819	
Total sales	17,798	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

†Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

‡Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

§Sales marked "short exempt" are included with "other sales."

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Nov. 20 a summary for the week ended Nov. 14, 1942, of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures, which are based upon reports filed with the Commission by the odd-lot dealers and specialists, are given below:

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE NEW YORK STOCK EXCHANGE

Week Ended Nov. 14, 1942

	Total for Week
Odd-lot Sales by Dealers: (Customers' Purchases)	
Number of Orders	12,768
Number of Shares	365,089
Dollar Value	12,174,133
Odd-lot Purchases by Dealers— (Customers' Sales)	
Number of Orders:	
Customers' short sales	111
*Customers' other sales	12,994
Customers' total sales	13,105
Number of Shares:	
Customers. short sales	3,532
*Customers' other sales	354,113
Customers' total sales	357,645
Dollar Value	10,736,298
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	80
†Other sales	90,720
Total sales	90,800
Round-lot Purchases by Dealers—	
Number of Shares	100,870

*Sales marked "short exempt" are reported with "other sales." †Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Lumber Movement—Week Ended Nov. 14, 1942

Lumber production during the week ended Nov. 14, 1942, was 0.5% greater than the previous week, shipments were 0.5% less, new business 9% greater, according to reports to the National Lumber Manufacturers Association from regional associations covering the operations of representative hardwood and softwood mills. Shipments were 3% above production; new orders 3% above production. Compared with the corresponding week of 1941, production was 4% greater, shipments 2% greater, and new business 10% greater. The industry stood at 138% of the average of production in the corresponding week of 1935-39 and 157% of average 1935-39 shipments in the same week.

Year-to-date Comparisons

Reported production for the first 45 weeks of 1942 was 4% below corresponding weeks of 1941; shipments were 2% above the shipments, and new orders 7% above the orders of the 1941 period. For the 45 weeks of 1942, new business was 18% above production, and shipments were 12% above production.

Supply and Demand Comparisons

The ratio of unfilled orders to gross stocks was 72% on Nov. 14, 1942, compared with 32% a year ago. Unfilled orders were 57% greater than a year ago; gross stocks were 30% less.

Softwoods and Hardwoods

Record for the current week ended Nov. 14, 1942, for the corresponding week a year ago, and for the previous week, follows in thousand board feet:

	Softwoods and Hardwoods		
	1942 Week	1941 Week	1942 Previous Wk. (rev.)
Mills	452	452	457
Production	244,534	234,691	243,218
Shipments	252,036	248,205	253,365
Orders	253,051	230,688	231,161

	Softwoods 1942 Week	Hardwoods 1942 Week
Mills	364	102
Production	232,990—100%	11,544—100%
Shipments	237,861—102	14,175—123
Orders	239,635—103	13,416—116

Revenue Freight Car Loadings During Week Ended Nov. 14, 1942 Totaled 826,601 Cars

Loading of revenue freight for the week ended Nov. 14, totaled 826,601 cars, the Association of American Railroads announced on Nov. 19. This was a decrease below the corresponding week of 1941, of 57,289 cars, or 6.5%, but an increase above the same week in 1940, of 81,306 cars, or 10.9%.

Loading of revenue freight for the week of Nov. 14 decreased 2,889 cars, or 0.3% below the preceding week.

Miscellaneous freight loading totaled 391,778 cars, an increase of 3,652 cars above the preceding week, and an increase of 2,434 cars above the corresponding week in 1941.

Loading of merchandise less than carload lot freight totaled 91,065 cars, a decrease of 459 cars below the preceding week, and a decrease of 65,219 cars below the corresponding week in 1941.

Coal loading amounted to 165,241 cars, an increase of 2,048 cars above the preceding week, but a decrease of 3,021 cars below the corresponding week in 1941.

Grain and grain products loading totaled 41,340 cars, a decrease of 666 cars below the preceding week, but an increase of 1,043 cars above the corresponding week in 1941. In the Western Districts alone, grain and grain products loading for the week of Nov. 14 totaled 27,253 cars, an increase of 233 cars above the preceding week, and an increase of 1,425 cars above the corresponding week in 1941.

Live stock loading amounted to 20,243 cars, a decrease of 522 cars below the preceding week, but an increase of 4,502 cars above the corresponding week in 1941. In the Western Districts alone, loading of live stock for the week of Nov. 14 totaled 15,959 cars, a decrease of 766 cars below the preceding week, but an increase of 4,022 cars above the corresponding week in 1941.

Forest products loading totaled 42,647 cars, an increase of 249 cars above the preceding week, but a decrease of 554 cars below the corresponding week in 1941.

Ore loading amounted to 60,152 cars, a decrease of 7,056 cars below the preceding week, but an increase of 2,218 cars above the corresponding week in 1941.

Coke loading amounted to 14,135 cars, a decrease of 135 cars below the preceding week, but an increase of 1,308 cars above the corresponding week in 1941.

All districts reported decreases compared with the corresponding week in 1941, except the Southwestern, but all districts reported increases compared with corresponding week of 1940 except the Eastern.

	1942	1941	1940
Five weeks of January	3,858,273	3,454,409	3,215,565
Four weeks of February	3,122,773	2,866,565	2,465,685
Four weeks of March	3,171,439	3,066,011	2,489,280
Four weeks of April	3,351,038	2,793,630	2,495,212
Five weeks of May	4,170,713	4,160,060	3,351,840
Four weeks of June	3,385,769	3,510,057	2,896,953
Four weeks of July	3,321,568	3,413,435	2,822,450
Five weeks of August	4,350,948	4,463,372	3,717,933
Four weeks of September	3,503,658	3,540,210	3,135,122
Five weeks of October	4,512,046	4,553,007	4,064,273
Week of Nov. 7	829,490	873,582	778,318
Week of Nov. 14	826,601	883,890	745,295
Total	38,404,316	37,578,228	32,177,926

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Nov. 14, 1942. During this period only 38 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS

(NUMBER OF CARS)—WEEK ENDED NOV. 14

Railroads	Total Revenue Freight Loaded 1942	1941	1940	Total Loads Received from Connections 1942	1941
Eastern District—					
Ann Arbor	419	682	615	1,155	1,510
Bangor & Aroostock	1,620	1,420	1,121	153	200
Boston & Maine	5,897	8,265	6,508	13,879	13,180
Chicago, Indianapolis & Louisville	1,433	1,574	1,478	1,920	2,277
Central Indiana	24	31	11	41	56
Central Vermont	821	1,379	1,226	2,081	2,470
Delaware & Hudson	6,148	6,005	5,064	10,970	10,551
Delaware, Lackawanna & Western	6,737	9,031	8,550	10,888	8,731
Detroit & Mackinac	480	492	528	126	153
Detroit, Toledo & Ironton	1,509	2,585	2,775	1,312	1,397
Detroit & Toledo Shore Line	331	437	472	2,651	3,946
Erie	11,496	15,194	13,407	15,570	15,128
Grand Trunk Western	4,246	6,463	6,157	7,635	9,350
Lehigh & Hudson River	208	245	197	2,744	2,558
Lehigh & New England	1,798	1,906	1,367	1,819	1,562
Lehigh Valley	8,283	8,985	9,184	12,263	9,434
Maine Central	2,139	3,029	2,201	3,052	2,882
Monongahela	6,099	6,391	4,745	395	353
Montour	2,158	2,434	1,832	27	40
New York Central Lines	45,308	53,124	44,405	49,812	50,416
N. Y., N. H. & Hartford	9,026	12,243	10,074	17,296	15,857
New York, Ontario & Western	929	1,109	1,068	2,145	2,199
New York, Chicago & St. Louis	6,494	6,554	5,780	14,305	14,114
N. Y., Susquehanna & Western	360	526	395	1,916	1,517
Pittsburgh & Lake Erie	6,938	8,617	7,612	7,308	8,307
Pere Marquette	5,486	7,002	6,398	6,306	6,470
Pittsburg & Shawmut	611	668	460	7	33
Pittsburg, Shawmut & North	357	421	495	228	410
Pittsburgh & West Virginia	1,003	1,172	754	2,590	2,673
Rutland	292	572	583	812	1,083
Wabash	5,562	6,057	5,475	12,131	10,865
Wheeling & Lake Erie	4,639	5,237	3,680	4,219	4,529
Total	148,851	179,850	154,617	207,756	204,251
Allegheny District—					
Akron, Canton & Youngstown	788	702	655	1,126	1,095
Baltimore & Ohio	37,742	41,136	34,575	27,629	22,798
Bessemer & Lake Erie	5,558	5,351	5,091	2,360	2,280
Buffalo Creek & Gauley	309	284	263	3	5
Cambria & Indiana	1,787	1,898	1,604	10	16
Central R. R. of New Jersey	7,235	7,500	6,739	19,200	15,406
Cornwall	725	677	622	54	58
Cumberland & Pennsylvania	228	291	246	15	12
Ligonier Valley	132	120	142	40	63
Long Island	1,100	875	949	3,074	2,646
Penn-Reading Seashore Lines	1,733	1,774	1,386	1,982	2,005
Pennsylvania System	76,636	86,289	69,226	65,108	56,871
Reading Co.	14,403	16,320	14,825	26,179	23,023
Union (Pittsburgh)	20,148	20,079	18,895	6,979	5,791
Western Maryland	3,879	4,194	3,631	11,117	9,193
Total	172,403	187,490	158,849	164,876	141,262
Pocahontas District—					
Chesapeake & Ohio	28,155	29,379	24,281	12,896	14,171
Norfolk & Western	22,133	24,390	20,379	6,728	6,498
Virginian	4,673	4,621	4,631	2,379	1,986
Total	54,961	58,390	49,291	22,003	22,655
Southern District—					
Alabama, Tennessee & Northern	362	382	266	316	215
Atl. & W. P.—W. R. R. of Ala.	714	901	746	2,596	2,114
Atlanta, Birmingham & Coast	766	852	633	1,259	1,199
Atlantic Coast Line	12,914	11,386	10,002	9,567	6,984
Central of Georgia	3,639	4,777	3,653	4,564	4,410
Charleston & Western Carolina	411	460	396	1,573	1,677
Clinchfield	1,733	1,812	1,479	2,890	2,835
Columbus & Greenville	513	380	314	433	310
Durham & Southern	135	169	143	375	490
Florida East Coast	1,075	633	832	1,334	992
Gainesville Midland	34	37	31	77	94
Georgia	1,258	1,352	913	2,349	2,520
Georgia & Florida	350	524	389	493	903
Gulf, Mobile & Ohio	4,077	4,213	3,574	4,539	3,419
Illinois Central System	27,759	28,800	23,649	15,836	14,171
Louisville & Nashville	24,592	27,456	23,109	10,504	8,503
Macon, Dublin & Savannah	196	208	130	728	691
Mississippi Central	188	160	167	603	378
Nashville, Chattanooga & St. L.	3,895	3,575	3,396	4,808	3,626
Norfolk Southern	1,447	1,120	1,012	1,584	1,311
Piedmont Northern	330	508	432	1,286	1,728
Richmond, Fred. & Potomac	392	430	350	9,334	6,119
Seaboard Air Line	10,667	10,614	9,440	9,158	7,226
Southern System	22,667	25,056	22,633	24,353	21,133
Tennessee Central	595	565	420	920	783
Winston-Salem Southbound	111	154	193	758	839
Total	120,820	126,524	108,302	112,237	94,670
Northwestern District—					
Chicago & North Western	18,774	21,178	16,733	13,157	13,429
Chicago Great Western	2,326	2,619	2,256	3,104	3,749
Chicago, Milw., St. P. & Pac.	19,640	23,336	20,012	9,648	9,167
Chicago, St. Paul, Minn. & Omaha	2,894	4,205	3,416	3,668	4,590
Duluth, Missabe & Iron Range	22,631	20,593	9,705	347	257
Duluth, South Shore & Atlantic	770	1,272	496	617	626
Elgin, Joliet & Eastern	10,082	10,598	8,642	9,597	9,215
Ft. Dodge, Des Moines & South	413	544	293	110	150
Great Northern	19,661	19,553	13,330	5,025	4,030
Green Bay & Western	462	691	577	731	746
Lake Superior & Ishpeming	2,008	2,815	2,586	38	91
Minneapolis & St. Louis	1,878	1,828	1,438	2,212	2,684
Minn., St. Paul & S. S. M.	6,386	8,021	5,837	2,689	3,062
Northern Pacific	11,799	13,223	10,974	5,182	4,397
Spokane International	185	99	117	573	352
Spokane, Portland & Seattle	1,967	2,367	2,017	2,967	2,177
Total	121,876	132,942	98,429	59,665	58,722
Central Western District—					
Atch., Top. & Santa Fe System	22,953	23,587	21,826	12,553	8,732
Alton	3,069	3,366	2,978	5,138	2,984
Bingham & Garfield	527	921	468	102	126
Chicago, Burlington & Quincy	19,778	19,812	17,955	12,261	11,379
Chicago & Illinois Midland	2,384	2,693	2,615	804	768
Chicago, Rock Island & Pacific	12,081	13,228	11,122	12,395	10,873
Chicago & Eastern Illinois	2,365	2,918	2,814	3,682	3,176
Colorado & Southern	2,393	1,425	1,240	2,081	1,693
Denver & Rio Grande Western	4,913	4,523	4,709	5,702	4,271
Denver & Salt Lake	806	786	996	8	18
Fort Worth & Denver City	1,496	1,491	1,160	1,428	1,278
Illinois Terminal	1,698	2,022	1,724	1,531	1,642
Missouri-Illinois	1,268	1,111	887	376	483
Nevada Northern	2,155	2,042	1,825	115	126
North Western Pacific	1,037	1,170	726	627	397
Peoria & Pekin Union	9	22	17	0	0
Southern Pacific (Pacific)	31,177	29,258	26,664	13,030	7,650
Toledo, Peoria & Western	300	377	325	1,818	1,693
Union Pacific System	20,370	20,616	18,083	15,599	12,484
Utah	579	437	572	1	3
Western Pacific	2,289	3,044	2,017	3,357	3,083
Total	133,647	134,849	120,723	92,608	72,859
Southwestern District—					
Burlington-Rock Island	141	194	182	288	225
Gulf Coast Lines	5,133	3,916	3,045	2,307	1,930
International-Great Northern	3,258	1,897	1,877	3,088	2,522
Kansas, Oklahoma & Gulf	413	285	217	1,162	1,096
Kansas City Southern	4,837	2,870	2,445	2,444	2,766
Louisiana & Arkansas	3,511	2,775	2,001	1,909	2,031
Litchfield & Madison	244	321	340	1,033	1,057
Midland Valley	669	705	719	353	319
Missouri & Arkansas	178	212	211	389	388
Missouri-Kansas-Texas Lines	6,554	4,963	4,216	5,815	3,919
Missouri Pacific	17,425	17,790	15,196	19,216	12,417
Quanah Acme & Pacific	110	179	170	366	162
St. Louis-San Francisco	8,691	9,898	8,662	8,323	6,078
St. Louis Southwestern	3,011	3,149	2,932	5,133	3,942
Texas & New Orleans	13,999	8,835	7,458	4,427	4,226
Texas & Pacific	5,741	5,650	5,251	7,759	5,410
Wichita Falls & Southern	117	166	149	25	65
Weatherford M. W. & N. W.	11	40	13	26	27
Total	74,043	63,845	55,084	64,063	48,580

Note—Previous year's figures revised.

Non-Ferrous Metals—Moderate Gain In Lead Use Seen In Amended Conservation Order

Editor's Note.—At the direction of the Office of Censorship certain production and shipment figures and other data have been omitted for the duration of the war.

"E. and M. J. Metal and Mineral Markets," in its issue of Nov. 19, stated: "A liberalized lead conservation order was issued by WPB early in the week, which, in the opinion of producers and consumers, should bring about a moderate increase in the use of the metal as a substitute material in this period of heavy war demands for copper, zinc, and the light metals. The amended order was viewed in trade circles as a step in the right direction. Work on revising the basic quotas of copper, lead, and zinc producers operating under the premium price plan is continuing. Revision of quotas is necessary to increase output and compensate for higher costs." The publication further went on to say in part:

Copper

With deliveries of copper at the highest level in the history of the industry, interest centers in lifting output wherever possible. Quota adjustments are being made to compensate for higher wage rates, according to Donald H. Wallace of OPA, to permit operating margins which are reasonable and adequate for maximum mine output.

Quotations on domestic and foreign copper were unchanged last week.

Director King of the Copper Branch, WPB, has informed brass mills, wire mills, and foundries that they must continue to use end-use classification symbols set up in Priorities Regulation No. 10. Though the allocation classification system was abolished last week, an exception was made in reference to copper. All mills have been asked to pass on this information to their customers.

In order to place premium payments for copper, lead, and zinc (excepting Michigan and the Tri-State area) on a uniform basis and to simplify and accelerate the administration of the program, Rules 13(a), 13(b), and 13(c) have been rescinded as of the close of business on Nov. 30, 1942, and New Rule 13, effective Dec. 1, 1942, has been issued. The new rule sets up percentages of the respective metals for settlement purposes, regardless of the percentages actually recovered or paid for under mine-smelter and other contracts.

Lead

Demand for lead continues fairly active, and the trade estimates that at least 35% of the December needs of consumers have been purchased to date. Sales of common lead for the last week exceeded those of the week previous. Quotations were unchanged.

Expansion in the use of lead under the revised lead conservation order will not be large, experts in the industry believe. Few big-tonnage items appear in the modified order.

Zinc

Restrictions on consumption of zinc products for ordinary civilian needs are diverting fairly large tonnages of the metal into the Metal Reserve's stockpile. Electrolytic zinc is now being produced in a new plant operating in Texas. The price of Prime Western continues at 8¼¢, St. Louis.

Tin

C. B. Henderson, President of the Metal Reserve Co., disclosed last week that the tin smelter in Texas cost about $6,000,000 and it will have a capacity for treating all available supplies of tin-concentrate.

Tin quotations were unchanged last week. Straits quality tin for forward shipment was nominally as follows:

	Nov.	Dec.	Jan.
Nov. 12	52.000	52.000	52.000
Nov. 13	52.000	52.000	52.000
Nov. 14	52.000	52.000	52.000
Nov. 16	52.000	52.000	52.000
Nov. 17	52.000	52.000	52.000
Nov. 18	52.000	52.000	52.000

Chinese tin, 99%, spot, 51.125¢ all week.

Quicksilver

R. J. Lund, Chief of the Miscellaneous Minerals Division of WPB, in addressing the American Mining Congress at Salt Lake City, said the known reserves of quicksilver in the ground in this country are a decided question mark. We have been drawing from them during the last two years at a terrific rate, he said, with the result that requirements have virtually been met. The rise in the price to above previous average levels has been a factor in tripling previous average production figures. The industry group reporting to WPB, he pointed out, is unanimous on the urgent need of undertaking a vigorous exploration and development program promptly to assure adequate future supplies.

The price situation was unchanged last week, quotations in New York holding at $196@$198 per flask.

Silver

During the past week the silver market in London has been quiet, with the price unchanged at 23½d. The New York Official and the U. S. Treasury prices are also unchanged at 44¾¢ and 35¢, respectively.

Daily Prices

The daily prices of electrolytic copper (domestic and export, refinery), lead, zinc and Straits tin were unchanged from those appearing in the "Commercial and Financial Chronicle" as of July 31, 1942, page 380.

To Pay On Belgians 6s

J. P. Morgan & Co., Inc., and Guaranty Trust Co. of New York, as Sinking Fund administrators, announce that $443,400 Kingdom of Belgium external loan 30-year 6% bonds, due Jan. 1, 1955, have been drawn for redemption on Jan. 1, 1943, out of moneys in the Sinking Fund. Payment at the principal amount will be made on or after Jan. 2, 1943, at the offices of J. P. Morgan & Co., Inc., or Guaranty Trust Co. of New York.

Items About Banks, Trust Companies

Leavelle McCampbell, President of McCampbell & Company, Inc., (textiles) has been elected a member of the Advisory Board of the 320 Broadway Branch of Chemical Bank & Trust Company. Mr. McCampbell has had a long association in the Worth Street District and at present is serving as President of the Merchants' Club.

To meet expansion demands, the Pan American Trust Company, at present located at 52 William Street, has leased for a term of years, for its New York home offices, the modern banking quarters in the 12-story building at 70 Wall Street, it is announced by President John B. Glenn. The transaction, was arranged by the Charles F. Noyes Co., for Samuel Levy, former Borough President of Manhattan, and Charles F. Noyes, owners of the property.

The Pan American Trust Co., specializing in financial transactions related to Latin American trade and acting as an international clearing house for Latin American business men, will take possession of its newly acquired space on Dec. 5 and will open its doors in its new quarters on Dec. 7. The State Banking Department approved the change in location on Nov. 19.

Involved in the lease of the building, which is to be renamed the Pan American Building, are the street banking floor, upper banking floor with mezzanine, the third floor and the basement and mezzanine, comprising a total of nearly 9,000 square feet. This space originally designed for the occupancy of the Commercial Exchange Bank and later used by the Municipal Bank and the Bank of the United States, is completely equipped for banking use and alterations to meet the requirements of the new tenant will be negligible in character.

"Our move to 70 Wall Street has been dictated not only by the immediate need for larger space, but by our confidence in the future of the 20 Latin American countries as a promising field for present and post war economic development," said Mr. Glenn. "We are confident that with the future development of our good-neighbor policy, and the resultant better understanding between business men in the United States and Latin America, tremendous opportunities will be created for the mutual advantage of all the countries involved."

The Pan American Trust Company, which has correspondents in practically every important Latin American city, maintains in addition to its main office, branches at Fourth Avenue and Ninth Street in Manhattan, and at Arthur Avenue and 187th Street in the Bronx.

In addition to Mr. Glenn, President and Edwin Studer, Vice-President and Treasurer, directors include Luis G. Legorreta, President Banco Nacional de Mexico; Gilbert Darlington, Treasurer American Bible Society; Clarke G. Daily, President Alliance Realty Corp.; Dr. Julius Klein of Klein & Saks, former Asst. Sec'y. of Commerce; August Ulrich; Elmer R. Jones, President, Wells Fargo Co.; Robert P. Holt, Vice-President, American Trading Co.; Jerome S. Hess of Hardin, Hess & Eder and Charles P. Williams.

John P. Traynor, Deputy Superintendent of Insurance of the State of New York for seven years, has been elected Executive Vice President and a Director of the Lawyers Title Corporation of New York. He will act as chief administrative officer of the company in the absence of Lieut. Comdr. William D. Flanders, President of the corporation.

George F. Rand, President of the Marine Trust Co. and the Marine Midland Corp., Buffalo, N. Y., died on Nov. 19 at his home in Buffalo. He was in his 50th year.

The following account is from the Associated Press:

Born in North Tonawanda, Mr. Rand was graduated from the University of Pennsylvania in 1916 and immediately embarked on a banking career.

Mr. Rand's first position was with the Bankers' Trust Co. at Buffalo. During World War I he served overseas with the Y.M.C.A. On his return from Europe in 1919, Mr. Rand became Assistant Secretary of the Marine Trust Co. In 1920, he was named manager of branches for the bank and, in the same year, was elected Vice President.

The Buffalo Trust Co., in which Mr. Rand and a group of young Buffalo businessmen had acquired an interest, was merged with the Marine Trust Co. in 1926 and Mr. Rand became President of the consolidated institution. Later, he was instrumental in forming the Marine Midland Corp. in 1929 and became its President.

Mr. Rand was a director of Remington-Rand, Inc.; American Steamship Co.; Buffalo Insurance Co.; Buffalo, Rochester & Pittsburgh Railway, and Dunlop Tire & Rubber Corp.

James A. Crowley, President of the People's Bank & Trust Co., Passaic, N. J., died on Nov. 13 at his home in Passaic. He was 67 years old. A native of Saugerties, N. Y., Mr. Crowley had been associated with banks in Passaic for over 30 years, the last five of which were as President of the People's Bank & Trust Co. He was also President of the Realty & Security Co.

Arthur A. Welsh, Trust Officer of the Cleveland Trust Co., Cleveland, died on Nov. 10 at his home in Cleveland Heights. He was 55 years old. Mr. Welsh had been associated with the Cleveland Trust Co. continuously since his graduation from Adelbert College of Western Reserve University in 1911, except for over a year's service in the Army in World War I. He served successively as clerk in the bank's estates department, chief clerk, Assistant Trust Officer and Trust Officer.

The Bruceton Bank, Bruceton Mills, W. Va., and the Citizens State Bank of Petersburg, Petersbury, Ind., were recently admitted to membership in the Federal Reserve System. The Bruceton Bank is in the Fifth (Richmond) Federal Reserve District and the Citizens State Bank is in the Eighth (St. Louis) District.

Frank O. Watts, Chairman of the Board of the First National Bank in St. Louis, was given a testimonial dinner on Nov. 20 by the Bank's directors on the 30th anniversary of his banking service in St. Louis. Mr. Watts, who has been Chairman of the bank since 1928, came to St. Louis from Nashville in 1912, assuming the Vice Presidency of the old Third National Bank. He became President of this institution in 1913 and six years later, in 1919, effected its consolidation with the Merchanics - American National Bank and the St. Louis Union Bank to form the First National Bank in St. Louis. Mr. Watts is a former President of the American Bankers Association and the Tennessee Bankers Association.

Named To WLB Post

The National War Labor Board announces the appointment of Carl Schedler to the newly created post of Director of Operations. Formerly Assistant Director of the U. S. Conciliation Service, Mr. Schedler will now supervise the directors of the 10 regional offices which the WLB is setting up throughout the country to administer the wage and salary stabilization program. Before his association with the U. S. Conciliation Service, Mr. Schedler was Chief of the Wage Predetermination Section of the Solicitor's Office, Department of Labor, administering the Davis-Bacon Act, as amended, which established wage rates on public works projects in the United States. In this connection, he served as special referee for the Secretary of Labor, conducting wage rate hearings throughout the country, including those for the Grand Coulee Dam.

New Shop Education Plan Announced By Packard Motor Car Co.

A further advance in a constructive program of labor relations, "giving the same story at the same time in the same way to both management and labor in a joint meeting," was announced Nov. 17 by George T. Christopher, President and General Manager of Packard Motor Car Co.

Labelled by authorities as constructive and vital to the war effort, the plan calls for frequent meetings of more than 500 company supervisors, foremen and union shop stewards for purposes of shop education and to hear outstanding national authorities talk on production and labor-management relations.

"Without good labor relations, all the mechanical skill in the world cannot get our production job done," said Mr. Christopher in making the announcement. "Toward that end, we propose to give company supervisors and union representatives the same information jointly. Men cannot be expected to cooperate their best if they do not know and understand company policies and courses of action.

"By hearing the same story at the same time, in the same way, these joint meetings of management and labor leaders are expected to clear the air and cut out the double-talk that can slow up production progress."

The plan was outlined to the supervisors, foremen and UAW-CIO shop stewards at a meeting addressed by Prof. Arthur Secord of the University of Michigan on the subject, "What Makes Men Respond?" He stressed courtesy, tact and adaptability as keynote points in successful human relations. Included among those at the speaker's table in addition to Mr. Christopher were C. E. Weiss, Packard Industrial Relations Manager, and John K. McDaniel representing the Executive Council, Packard Local 190, UAW-CIO.

The new plan is another step in the Packard "Work to Win" war production program that has already won for the company's war workers a total of 20 of the 84 awards that have been made by the War Production Board for practical production shortcuts, which is the leading factory record in the country. Packard is making new records in the production of Rolls-Royce aircraft engines for American Warhawks, British Spitfires and Hurricanes, and Packard marine engines for PT boats of the United Nations.

Callaghan Killed In Action

Rear Admiral Daniel H. Callaghan, commander of the cruiser San Francisco and former naval aide to President Roosevelt, was killed on Nov. 12 when he led a cruiser task force into a night battle for possession of the Solomon Islands.

Admiral Callaghan was naval aide to President Roosevelt from 1938 to 1941, when he took command of the cruiser San Francisco.

Individual Savings Up Sharply In Third Quarter

The Securities and Exchange Commission on Nov. 15 made public an analysis of the volume and composition of saving by individuals in the United States during the third quarter of 1942, continued a series of quarterly figures on this subject. This quarter, the Commission said, was characterized by a very large increase in the public's cash on hand and in checking accounts, a smaller rise in their holdings of Government bonds, and a further reduction in debt.

The more important results of the analysis were summarized by the SEC as follows:

"1. People in this country saved substantially more in the third quarter of 1942 than they did in the second quarter. The data indicate that the ratio of saving to income after taxes rose to a new high point.

"2. However, most of the rise in saving in the third quarter was attributable to the extremely large increase in people's cash holdings and deposits in checking accounts, amounting to close to $4,000,000,000 or almost twice the amount in the second quarter. Saving in this form accounted for more than 40% of all liquid saving, and constituted the largest component of individuals' current saving. This accelerated growth in individuals' cash holdings and demand deposits is potentially quite dangerous in view of the inflationary pressures such funds may exert. Thus it should be noted that there is reason to believe that more and more of individuals' liquid saving will take this form in the near future as a result of the growing disparity between the rising national income and the declining supply of consumer goods.

"3. Individuals purchased $2,800,000,000 of Government bonds (including $2,100,000,000 of War Savings Bonds) in the third quarter, an increase of $6,000,000,000 over the second quarter.

"4. Debts of individuals other than mortgages were again reduced substantially. However, saving in this form will tail off fairly rapidly in the near future as individuals pay off the bulk of their outstanding obligations."

Further details were given by the Commission as follows:

"Individuals' gross saving in the third quarter of 1942 amounted to $11,400,000,000, compared with $9,000,000,000 in the second quarter. This substantial increase was entirely due to the rise in liquid saving from $6,400,000,000 to $9,100,000,000, a new all-time high.

"The increase in the public's liquid saving, i.e., saving exclusive of purchases of durable goods, reflects the higher level of income in the hands of individuals after payment of taxes. Practically all of the increase in such income went into liquid saving rather than consumption. Consequently, the volume of liquid saving is substantially higher than might be expected on the basis of the past relationships between such saving and income alone. This seems to be due in part, as in prior quarters, to the restrictions placed on the purchases of durable consumers' goods and on the extension of credit for such purchases, resulting not only in an enforced decrease in purchases of these goods but also in an automatic liquidation of outstanding debt. To some extent, also, the increase in liquid saving in the third quarter probably reflects rationing and growing scarcities of other consumers' goods as well. Finally, there appears to be strong evidence in this quarter of a greater diversion from consumption into liquid saving than can be explained solely in terms of the above factors.

"The most striking feature of the pattern of saving during the third quarter of 1942 is the extremely large rise in individuals' currency and bank deposits. People as a whole added over $1,000,000,000 to their cash hoards and $3,000,000,000 to their deposits, for the most part in the form of deposits in checking accounts. The rate of accumulation of such funds was almost twice as great as in the second quarter, the previous high point of saving in this form. Furthermore, not only have the people in this country shown a very high and increasing propensity to save in this form over the past two quarters, but there is evidence of a further acceleration in the growth of such funds in the near future. Consequently, it should be pointed out that additions to checking accounts and cash on hand represent in considerable part temporary accumulations of funds which are relatively unstable and may at any time be diverted into consumption or other channels. On the other hand, part of the accumulation of such funds undoubtedly represents provision for future payment of currently accruing taxes.

"Purchases of Federal Government securities by individuals amounted to $2,800,000,000 in the third quarter of 1942, compared with $2,200,000,000 in the preceding quarter. Saving in such securities constituted 31% of individuals' liquid saving in the third quarter of 1942, compared with 34% in the second quarter, 57% in the first quarter, 30% in 1941, and 10% in 1940.

"Individuals' debt which had been incurred in the purchase of automobiles and other durable consumers' goods was again reduced substantially, due principally to the low level of purchases of such goods and, to a lesser extent, to the restrictions on the granting of credit This reduction, amounting to $8,000,000,000, was approximately at the same rate as in the first six months of the year, the highest for any corresponding period on record. However, by the middle of 1943 saving in this form will diminish to a relatively small figure.

"Purchases of automobiles and other durable consumers' goods by individuals amounted to close to $2,000,000,000, not much different from the first and second quarters of 1942 but a marked decline from the average quarterly level for 1941. Purchases of homes amounted to $3,000,000,000, somewhat smaller than in the first two quarters of the year and substantially less than the quarterly figures for 1941.

"Finally, individuals' saving in the form of private insurance, mostly life insurance, amounted to $6,000.000,000, while their saving in the form of Government insurance, mostly Social Security funds, amounted to $7,000,000,000. This represented a small increase over their saving in these forms in the preceding quarter. There was only a small rise in individuals' mortgage debt, reflecting the comparatively small amount of new private housing. Also, there was not much change in individuals' net absorption of municipal and corporate securities."

Discusses Inflation

"Inflation and the Inflationary Gap" was the subject of an address by Dr. Rufus S. Tucker at a dinner meeting of the Financial Group of the Special Libraries Association on Nov. 4 in New York City. Dr. Tucker, Economist of the General Motors Corp., is the author of a number of books, articles and studies in the field of banking and finance.

Mary Ethel Jameson, Librarian of the National Industrial Conference Board, was Chairman of the Committee in charge of the meeting.